

LA Fashion District Business Improvement District

2010 Activity Reports

First Quarter

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2010 OPERATING BUDGET SUMMARY

The first quarter improvement and activity financial results are outlined in *Attachment 1*. The total improvement plan budget for the 2010 Amended Fashion District BID is **\$3.9 million**.

FINANCE

2009 Annual Audit & Financial Statement Review

Stanislawski & Harrison Auditors conducted the annual audit and reported that the financial statements presented fairly in all material respects the financial position of the Downtown Los Angeles Property Owners Association as of December 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended are in conformity with generally accepted accounting principles in the United States.

The Board of Directors unanimously approved the 2009 Audit and Financial Statements at their meeting on February 23, 2010. A copy of the audit was forwarded to the Office of the City Clerk.

A summary financial statement will be communicated to property owners in the 2009 Annual Report and at the Annual Property Owner meeting on May 27, 2010.

Proposed 2010 Second Quarter Finance Activities

- Prepare 2011 assessment scenarios for Board approval in May.
- Prepare assessment data for County tax rolls.

PUBLIC SPACE MANAGEMENT ACTIVITIES

2010 Annual Budget **\$2,556,973** **60% of the budget**

This portion of the budget is allocated to all Clean & Safe Program Services.

PUBLIC SPACE SAFETY PROGRAMS

First Quarter Contact Summary

The Amended Fashion District BID is comprised of 115 blocks compared to the previous 94 blocks in Fashion District BID 2003-2008. The Eponic Data Collection system was reformatted to record activities in the new boundaries. Year over year district-wide statistic comparisons will no longer be possible because of the revised BID boundaries.

Illegal Vending saw the highest activity with 2,084 events recorded. Consistent enforcement in partnership with LAPD, Health Department, and Animal Services limited the rampant illegal sale of pets, DVD's and food; however illegal vending continues to damage the legal economy in the district.

BID Safe Team Officers recorded 812 **Disorderly Conduct** events during the first quarter. The Disorderly Conduct category includes Drinking in Public, Trespassing, Panhandling, and Drug Activity.

As a proactive precaution against criminal activity, the BID continues conducting **Location Checks for Crime Prevention** with over 16,050 individual location checks recorded during the first quarter of 2010.

LAPD Meets with BIDs

Leaders from all the Downtown BIDs met with Captain Chamberlain and Commander Blake Chow on February 8, 2010 to discuss how we can better partner with LAPD to address not only crime reduction but also quality of life issues in downtown. All the BIDs expressed strong support for continuing the Safer City Initiative and keeping the 50 additional police officers downtown. Attachment 2 is a support letter signed by all the BIDs.

LAPD – MPAA – BID Partner to Stop Illegal DVD Sales

The *LA Business Journal* published a story on the reward the LA Fashion District BID, LAPD and MPAA have partnered on to help deter illegal DVD sales in the LA Fashion District. The reward has led to 44 calls about DVD sales and 4 bona fide tips about DVD manufacturing facilities none of which are in the Fashion District. (Attachment 3)

LAPD – Animal Services – BID Partner to Stop Illegal Pet Sales

Our Safe Team continues to report illegal animal sales in the Fashion District including 174 incidents during the first quarter. (Attachment 4) Many of these sales include baby animals not sufficiently weaned from their mothers, birds and lizards that have been smuggled into the area from other countries, and turtles that transmit salmonella bacteria to children. We will continue to work with the City of Los Angeles to eliminate these sales in the LA Fashion District.

We worked with LAPD and Animal Services during the weekends leading up to Easter to stop illegal vendors from selling animals. Their efforts attracted media and blog attention from the LA Times, KTLA, KNX, LA Weekly, and Downtown News. (Attachment 4) One vendor was arrested on felony charges and hundreds of animals were rescued. The Department of Animal Services has submitted a report to the Mayor requesting an amendment to the Municipal Code to expand the ban on sales of animals to include banning purchase. (Attachment 5)

Bringing Back Broadway to Launch PACE Enforcement

The PACE program will address blight and non-compliance related to:

- signage
- awnings
- storefronts & roll-down doors
- merchandise & displays in the public right-of-way
- illegal activity
- unpermitted construction

All property and business owners on Broadway between 2nd and Olympic will receive information on how to bring their buildings into compliance standards. A Community Information Meeting is scheduled for April 21, 2010. The BID will distribute information packages and invitations to business owners that are in the Fashion District boundaries on Broadway between 8th and Olympic.

Proposed 2010 Second Quarter Public Safety Activities

- Continue education information for property owners on their responsibilities for discouraging illegal activities by tenants on their premises, and to comply with clean sidewalk codes.
- Continue to act as liaison to direct homeless populations to service organizations.
- Address illegal vending in the district.

PUBLIC SPACE MAINTENANCE PROGRAMS

The Fashion District BID maintenance programs deal with improving the public environment by providing graffiti removal, sidewalk and alley cleaning, street trash removal, tree trimming, weeding and poster removal.

BIDs Meet with BOS

In January BID Directors met with representatives from the Bureau of Sanitation (BOS) to discuss trash management issues. BOS will look for an appropriate site to install a trash compactor that can be used by multiple BIDs.

Sandbagging Saves Stores

Several storm systems increased the threat of flooding in the district. As a proactive measure BID staff drives the district looking for signs of flooding and then sandbags problem areas. The North & South Alley trench drain is working well when it is not stuffed with plastic bags.

Graffiti Removal

2010 first quarter graffiti removal records show high numbers of graffiti tags within the downsized district.

Graffiti Removal – 1st Quarter 2010

January	541
February	426
March	620
Total	1587

Trash Tonnage

A decrease in trash tonnage reflects the downsized district and also downward turn in the economy.

Trash Tonnage – 1st Quarter 2010

January	144
February	142
March	173
Totals	459

Proposed 2010 Second Quarter Public Maintenance Activities

- Continue to work to educate property owners and merchants about appropriate trash collection procedures.

ADMINISTRATION, IMAGE & COMMUNICATIONS, SPECIAL PROJECTS ACTIVITY

Annual Budget

\$571,605

13% of the Overall Budget

This portion of the annual Fashion District BID budget includes all Administration, Image & Communications, and Special Projects service programs. The remaining budget is allocated to City Fees, Depreciation, and Uncollected Revenue.

ADMINISTRATION

GOVERNANCE

Board Officers Elected

According to the Bylaws, officers must be elected at the January meeting. On January 21, 2010

- Mark Chatoff was re-nominated Chair
- Laurie Sale was nominated Vice Chair
- Barry Gold was re-nominated Treasurer
- Jaime Lee was nominated Secretary

At the February Board Meeting, committee appointments were ratified for 2009 in Finance, Operations, Image, Personnel and Legislative Committees. According to the Fashion District Bylaws, each Board Member must serve on at least one committee and non-Board members are encouraged to participate.

Board Member Resignation and New Appointment

On January 22, 2010 John Van Den Akker resigned from the Board of Directors.

At the Board of Directors meeting on February 23, 2010 Dan Bartholomew was nominated to replace John Van Den Akker. Mr. Bartholomew will serve the remainder of 2010 to fill the vacant seat until the election. Mr. Bartholomew was a candidate in the 2009 election. He missed being elected by a small margin and was the next candidate in line for election in the event that a winning candidate decided to decline.

Formation of Ad Hoc Bylaws Review Committee

The Corporation Bylaws were last revised in 2003. The statutes have worked well however several issues have emerged that could be improved with changes. Election costs, zone representation, resident representation, and reducing the number of Board Members were discussed. Any changes to the Bylaws require a majority vote by the property owners. The Board Chair appointed Laura Aflalo, Barry Gold, Ramin Haverim, Elisa Mermelstein Keller and Steve Hirsh to an Ad Hoc Committee that will prepare recommendations for Board consideration.

The Bylaws Review Committee met on February 16, 2010 to discuss options and draft an amendment. Approval to amend the Bylaws requires a vote of owners representing 50%+\$1 of the weighted assessment vote either at either a property owner meeting or by proxy vote. Proxy ballots will be prepared by John Lambeth and distributed first to Board Members who collectively represent 21% of the majority weighted assessment.

At the Board Meeting on March 18, 2010 the Committee presented one amendment that would restate the Bylaws of the DPOA so that Bylaws **can be amended by a 2/3 vote of approval by the Board of Directors, or, Members of the DPOA can amend the Bylaws if 10% of the Members holding 10% of the weighted vote call a meeting to amend the Bylaws. The draft amendment received Board approval.** An Annual Meeting invitation, cover letter, and proxy ballot will be mailed to all property owners at least 21 days prior to the annual meeting. Board Members will call owners in order to obtain attendance or proxy ballots.

The Annual Meeting of the Property Owners will convene on May 27, 2010 to allow sufficient time to collect votes and proxies currently required for changes to the Bylaws.

February Conflict of Interest Summary

Board Members received a handout on how to Avoid Conflicts of Interest.

ADVOCACY

BID Property Owners Oppose DWP Rate Increases

Owners of multi story buildings are seeing continued dramatic rises in rate costs. On March 18, 2010 the DWP Board of Commissioners voted in favor of increasing energy rates again. Business properties can expect to see increases in the average bill ranging from 20% to 26% beginning April 1, 2010.

According to the *LA Times* DWP says the rate increase would pay for more aggressive conservation programs, a solar plan designed to create 16,000 jobs, and cover the fluctuating price of coal and natural gas. Business leaders are questioning the transparency of the process and concerned about the increasing cost of doing business in Los Angeles. BID Board Members agreed to oppose the energy rate increase at their March 18th meeting. BID Directors and property owners then joined with the Central City Association to testify against the proposed raises at City Council, Energy Committee, and DWP Commission meetings. The City Council asserted jurisdiction over the process and opposed the DWP Commission vote on March 31, 2010. Rate increases have been halted for at least the next quarter. The BID has received a report from a property owner that DWP building greening programs have been suspended until further notice.

Clinton Climate Initiative and Greening Buildings

On March 31 we attended a presentation by representatives from the Clinton Climate Initiative. This organization works pro bono to help building owners retrofit their properties to improve energy efficiency and financial performance. Attachment 6 is a copy of a relevant newsletter that features an article about successfully retrofitting the Empire State Building to reduce energy consumption. We will meet with CCI to discuss how the process could be applied to reduce energy costs in Fashion District buildings.

CRA/FD Development Study

The Fashion District Development Study process is moving ahead. CRA staff is finalizing the RFP for consultant selection by June 2010.

Anti-Counterfeiting Trade Agreement

The BID was contacted by the U.S. Chamber of Commerce's Global Intellectual Property Center (GIPC). The Chamber is organizing a letter to be sent from small/medium sized businesses (though not following a strict definition of an SME) to the US Trade Representative (USTR) supporting the conclusion of a robust Anti-Counterfeiting Trade Agreement (ACTA). The Chamber understands that the LA Fashion District isn't a company per se, however they believe our support is important and would like to add the BID a signatory to their letter.

At the Board Meeting on March 18, 2010 Board Members voted to support **the U.S. Anti-Counterfeiting Trade Agreement**.

Scramble Intersection Removals

Property owners and the BID have made repeated requests to LADOT for removal of the scramble crosswalk lights at Maple/11th, Maple/12th, Santee/11th, Santee/12th. LADOT reported that there is no staff to make the changes. On the positive side LAPD stopped issuing jaywalking tickets which is a result of BID advocacy. In February DOT began converting the scramble lights back to regular traffic/pedestrian lights.

Streetcar Update

In January 2010 we attended Los Angeles Streetcar Inc.'s (LASI) Property Owner Assessment Committee meeting to discuss various funding issues, including how to determine property assessment figures. LASI is also considering a bond to underwrite streetcar costs in addition to applying for federal Small Starts funding. Steve Gibson of Urban Place Consulting has been retained to prepare a property owner assessment district.

Assessments could be used to fund up to 60% of the capital cost of the streetcar as well as contributing to operating costs. We believe that while a case can be made for property owners to contribute to the cost of the streetcar, the bulk of the funding should come from the public sector.

Parking Meter Zone Changes

We received an Alert Notice from LA Department of Transportation (LADOT) informing us of the upcoming sign change out in a Parking Meter Zone (PMZ) in the Fashion District. This alert was forwarded to all property owners whose email we have on file. The meter rate and hours changes were approved by the City Council in July 2008. Since that time, DOT has been implementing these changes throughout the City. The ordinance that changed the rates has been in effect since September 2008. At the request of Councilmember Jan Perry, the sign change out for the area in Fashion District in PMZ-537 was put on hold until after January 1, 2010.

The new hours are 8 AM to 6 PM, Monday through Saturday; 11 AM to 6 PM, Sundays, except in areas where existing peak hour parking restrictions are in effect. Customized signs were installed to exclude any peak hour restriction areas from the new meter hours of operation. On January 16, 2010 DOT Parking Enforcement began enforcing the new parking meter "hours of operation". Property and business owners see the rate increases as being bad for attracting business however they did appreciate the extension of lower rates that was upheld by Councilwoman Perry.

Proposed 2010 Second Quarter Administration/Advocacy Activities

- Continue to advocate for the Fashion District BID.

IMAGE AND COMMUNICATIONS

The LA Fashion District BID Image & Communications programs are developed to create a positive image for the District based on the positive changes that take place. Programs are designed to attract new investors and customers to the District as well as attract City investment to the District.

Website Update

The Ad Hoc Website Committee met several times to review the draft website. They recommended a number of to improve the style of the site. Work continues on the new website.

Downtown LA Marketing Center

The Fashion District is partnering with downtown BIDs, businesses and brokers to explore the possibility of promoting a new "one-stop-shop" located at 819 S Broadway. The street front space is being donated by Steve Needleman, ANJAC Fashion Buildings. Hal Bastian, CCA's vice president of economic development is coordinating the effort. Plan to attend the first meeting on Wednesday, January 27, 2010 from 2:30 pm to 4:30 pm. Hear more about how all facets of downtown business, service, residential, and commercial real estate will be represented.

Winter Newsletter

BIDLines was distributed to owners. See Attachment 7.

<p>First Quarter Media Impression, Website Hit, Website Visitor Comparisons</p>

<u>Media Impressions</u>	2009	2010
January	18,668,000	13,624,000
February	26,046,000	31,544,000
March	49,066,000	47,649,000
Totals	93,780,000	92,817,000

<u>Website Hits</u>	2009	2010
January	2,518,665	2,758,484
February	2,480,875	2,580,855
March	2,911,323	3,655,899
Totals	7,910,863	8,995,238

<u>Unique Visitors to Website</u>	2009	2010
January	41,221	52,806
February	40,237	39,562
March	47,617	57,437
Totals	129,075	149,805

Proposed 2010 Second Quarter Image & Communications Activities

- Complete Website update

SPECIAL PROJECTS

9th & Main Median Maintenance

We are working our way through the first year of maintaining this median improvement project. The lights are being operated manually and the irrigation doesn't water evenly. Our staff was not properly trained by the contractor to work with the computerized lighting and irrigation systems. The trees nearly died due to overwatering. An Urban Forestry Investigator made recommendations for less watering and special fertilizer. We are pleased to report that the trees are doing better.

City Departments will not assist us with troubleshooting because the BID was required to sign off on the Final Acceptance of Work. We are attempting to reprogram the equipment. If we are unsuccessful we will be obligated to hire Land Images, the architectural landscape company that developed the plans, for technical assistance.

Santee Alley Streetscape Project Completed

The streetscape project is completed. The BID and BOE staff conducted a final walk through on March 24, 2010.

Vandals have already stolen hundreds of hardware bolts from the trench drain which need to be replaced. We have contacted the vendor for a replacement price quote and a price quote for tamper-proof bolts. The trench drain has also been vandalized with plastic bags and trash that appear to be intentionally lodged in the line to create a blockage. The BID Clean Team cleans the Alleys three times a day. During the last rain storm the drain worked well. However, in the subsequent storm, water started backing up toward the store fronts. Investigation revealed that vandals had clogged the drains with plastic bags. The Fire Department used their hoses to blow the bags through the drain to unclog the line.

Uniform Parking Signage Project

The signs are being fabricated by Zumar Architectural Design Firm. This is the same company that produced the downtown wide LA Wayfinding Signage/

Proposed 2010 Second Quarter Special Projects Activities

- Continue work on production of the Uniform Parking Signage Project.
- Continue problem solving median and streetscape project maintenance.

ATTACHMENTS

1. First Quarter Financial Report (to be forwarded under separate cover)
2. BID Support Letter for continuing Safer Cities Initiative
3. *New Spin on Fighting Illegal Discs*, LABJ, February 1, 2010
4. *Bunny World Foundation ad to stop animal cruelty in Los Angeles' Santee Alley*, Los Angeles Magazine, February 2010
5. Report from Animal Services
6. Clinton Climate Initiative and Greening Buildings
7. BIDLines Winter 2010 Newsletter

LA Fashion District Business Improvement District

2010 Activity Reports

Second Quarter

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Image, Communications and Special Projects

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II Attachments

2010 OPERATING BUDGET SUMMARY

The 6-month financial results are included as *Attachment 1*. The total improvement plan budget for the 2010 Amended Fashion District BID is **\$3.9 million**.

FINANCE

No CPI Adjustment

On May 27, 2010 the Board of Directors unanimously agreed not to apply a CPI adjustment to the Fashion District BID 2011 assessment fees.

Assessment data was submitted to the City Clerk.

Proposed 2010 Third Quarter Finance Activities

- Prepare 2011 Budget

PUBLIC SPACE MANAGEMENT ACTIVITIES

2010 Annual Budget

\$2,556,973

60% of the budget

This portion of the budget is allocated to all Clean & Safe Program Services.

PUBLIC SPACE SAFETY PROGRAMS

Starting April 1, 2010 year over year district-wide statistic comparisons will be reported for the 115 block area.

Second Quarter Contact Summary

Illegal Vending saw the highest activity during the 2010 Second Quarter with 1511 events recorded. Activity in this category has not changed significantly compared with records from 2009 Second Quarter. Consistent enforcement in partnership with LAPD, Health Department, and Animal Services limited the rampant illegal sale of pets, DVD's and food; however illegal vending continues to damage the legal economy in the district.

BID Safe Team Officers recorded 547 **Disorderly Conduct** events during the second quarter. This is a significant decrease from the 923 events reported during the 2009 Second Quarter. The Disorderly Conduct category includes Drinking in Public, Trespassing, Panhandling, and Drug Activity.

As a proactive precaution against criminal activity, the BID continues conducting **Location Checks for Crime Prevention** with 18,510 individual location checks recorded during the second quarter of 2010.

Fashion District Included in Injunction Boundaries

On April 7th City Attorney Trutanich filed an injunction naming 80 individuals that are involved with selling drugs in Skid Row. The injunction establishes a "Central City Recovery Zone" that is bounded by Broadway, Central Avenue, 3rd Street, and 9th Street. Named individuals will not be allowed in the zone. The injunction will also give the City Attorney the authority to add up to 300 additional people. The injunction will require approval from a judge before implementation.

Downtown BIDs / LAPD Meetings

Captain Todd Chamberlain initiated regular meetings with Downtown BIDs to deal with issues of concern and improve communications. Meetings were held April 16, 2010 and May 28, 2010.

Part 1 Violent Crime Down 15% in 2010

In the April 2010 newsletter Central Division Captain Chamberlain reported that Part 1 Crime is down 15% compared to 2009 YTD. Property crime is down 13%.

Basic Car A185 reports that the Fashion District BID area continues to look good crime-wise thanks to the hard work of the area officers and the Fashion District BID. On April 16, BID representatives met with newly appointed Deputy Chief Perez and Commander Chow to discuss how to improve the BID/LAPD partnership. We requested that the command staff reexamine the Central/Newton boundaries to make it easier for citizens to report crime. We also agreed to work together to summarize BID contact information for LAPD use to help prevent criminal activity.

LAPD & BID Stop Illegal Pet Sales

We worked with LAPD and Animal Services three consecutive weekends before Easter to stop illegal vendors from selling animals. Their efforts attracted local media and blog attention. One vendor was arrested on felony charges and hundreds of animals were rescued. The Department of Animal Services has submitted a report to the Mayor requesting an amendment to the Municipal Code to expand the ban on sales of animals to include banning purchase.

DMV Conducts Sting on Misused Disabled Parking Placards

The Department of Motor Vehicles recently conducted a sting in the Santee Alley area for persons parking at meters and displaying disabled parking placards that did not belong to them. Forty-six citations were issued by the DMV and several vehicles were towed. A disabled parking placard is to be used only when the person who was issued the placard is present in the vehicle. It is a misdemeanor violation to "borrow" someone's placard to get free parking and can result in revocation of the placard.

PACE Enforcement on Broadway

A comprehensive enforcement program is commencing to address problems of blight on Broadway between 2nd Street and Olympic Blvd. in Downtown Los Angeles. The program will address issues such as: non-permitted signage, awnings and roll-down doors; sidewalk sales; unapproved construction; and illegal activity.

A public meeting for property owners and businesses was held on April 21, 2010 to introduce the program, discuss how it may affect property and/or business, review the timeline for required code compliance, and help attendees identify available resources to assist them in becoming code compliant. Representatives from Los Angeles departments of Building and Safety, Public Works, Police Department, City Attorney's Office, and Community Development Department attended to provide resource information. Code enforcement has already started with the issuing of courtesy notices which will be followed by Notices to Comply for continuing violations.

Medical Marijuana Clinic Closures

The City Attorney issued shut down notices to 439 medical marijuana dispensaries. The deadline to comply was June 7 when the city's ordinance takes effect. The City Attorney's office informed the BID that one of the three dispensaries in the Fashion District is a pre-ICO registered location and will be allowed additional time to bring themselves into compliance with the ordinance. The other two dispensaries have closed.

Ending Homelessness

On June 22, 2010 members of the LA Camber/United Way Task Force on Ending Homelessness visited Denver to examine their housing and homeless programs. We met with City, County and non-profit organizations to review the programs that have led to a 30% reduction in homelessness there.

The Task Force plans to issue its report on ending homelessness in LA in the fall, 2010.

Related Hospitality Institute Forum

On June 28, 2010 BID staff attended a one-day forum in downtown Los Angeles to learn more about merging the needs of entertainment venues, residents, and business owners. RHI is a resource for strategies to plan,

manage, and police hospitality zones in downtown districts. At the forum we worked with other organizations to discuss issues around the economic benefits of a vibrant nighttime economy and maintaining public order. The LA Fashion District BID has 3 buildings in the District that will be proposing nighttime entertainment uses in the district.

Proposed 2010 Third Quarter Public Safety Activities

- Continue education information for property owners on their responsibilities for discouraging illegal activities by tenants on their premises, and to comply with clean sidewalk codes.
- Continue to act as liaison to direct homeless populations to service organizations.
- Address illegal vending in the district.
- Prepare deployments for special events including Market Weeks, Fashion Night Out and Macy's Passport Glamorama.

PUBLIC SPACE MAINTENANCE PROGRAMS

The Fashion District BID maintenance programs deal with improving the public environment by providing graffiti removal, sidewalk and alley cleaning, street trash removal, tree trimming, weeding and poster removal.

Graffiti Removal

2010 second quarter graffiti removal records show high numbers of graffiti tags within the downsized district.

<u>Graffiti Removal – 2nd Quarter</u>	2010	2009
April	636	729
May	387	490
June	648	566
Total	1671	1785

Trash Tonnage

A decrease in trash tonnage reflects the downsized district and also downward turn in the economy.

<u>Trash Tonnage– 2nd Quarter</u>	2010	2009
April	159	127
May	164	136
June	147	140
Total	470	403

Proposed 2010 Third Quarter Public Maintenance Activities

- Continue to work to educate property owners and merchants about appropriate trash collection procedures.

ADMINISTRATION, IMAGE & COMMUNICATIONS, SPECIAL PROJECTS ACTIVITY

Annual Budget

\$571,605

13% of the Overall Budget

This portion of the annual Fashion District BID budget includes all Administration, Image & Communications, and Special Projects service programs. The remaining budget is allocated to City Fees, Depreciation, and Uncollected Revenue.

ADMINISTRATION

GOVERNANCE

Formation of Ad Hoc Bylaws Review Committee

The Corporation Bylaws were last revised in 2003. The statutes have worked well however several issues have emerged that could be improved with changes. Election costs, zone representation, resident representation, and reducing the number of Board Members were discussed. Any changes to the Bylaws require a majority vote by the property owners. The Board Chair appointed Laura Aflalo, Barry Gold, Ramin Haverim, Elisa Mermelstein Keller and Steve Hirsh to an Ad Hoc Committee that will prepare recommendations for Board consideration.

The Bylaws Review Committee started meeting during the 2010 First Quarter. After several revisions a proxy ballot was mailed to all owners and the Annual Meeting date was changed to July 22, 2010. Ballot votes will be counted at the meeting.

ADVOCACY

AECOM Awarded Contract to Conduct Fashion District Development Plan

The Fashion District Design for Development RFP was sent out to lists of CRA/LA prequalified consultants on April 15, 2010. May 17th was the deadline for submissions. Submissions were reviewed by CRA, Planning Department and BID staffs. Nine companies were selected for interviews that were conducted in June.

AECOM was awarded the \$1 million contract. Work has already started on the project that is expected to be completed in 18 months. See attached LA Business Journal article.

Property Owner Seminar on Tax Credits and Historic Rehabilitation Program Incentives

On April 19, 2010 we attended this property owner seminar to learn about Historic Preservation Guidelines, Historic & New Market Tax Credits, Façade Grant Programs, Federal and State Discount Programs, and Tax-Exempt Bond Programs. Owners interested in learning more were encourage to contact the BID office for details as there are many options that can help historic building renovation projects pencil out.

Fashion District Store Loses in LAX Vendor Selection Process

The Paradies Shops lost their bid to become a vendor in the new Los Angeles Airport. The company's plan was to open a Fashion District store in the United Airlines Terminal as part of their effort to bring LA to LAX. The Fashion District shop was to be a showcase store where apparel businesses in the BID could sell designer and trendy fashions.

City Budget Proposes to Delete Trash Can Liners to BIDs

In April 2010 all Los Angeles BIDs were informed that distributions of trash can liners would be eliminated due to the budget shortfall. The Fashion District BID prepared in advance for this reduction. The BID Consortium is working together to encourage the City Budget Committee and City Council to restore the liners that help the BIDs clean the city's streets.

CleanTech Corridor Planning Interviews to Help Set Future Goals

Kent Smith was invited to participate in the Urban Land Institute (ULI) Panel Interviews that took place on May 18, 2010. Input from stakeholder and community leader interviews will assist in the planning of the LA CleanTech Corridor. The ULI panel will present their findings on Friday, May 21, 2010. The Community Redevelopment Agency of LA (CRA/LA) and the Los Angeles Department of Water & Power (LADWP), co-sponsors of the cleantech study, requested the ULI Advisory Services Panel to examine development opportunities, market potential and development strategies consistent with the goals of CleanTech Los Angeles. The goals aim to:

- Create well paying family supporting jobs by attracting and retaining clean technology businesses that will create job opportunities at all levels,
- Stimulate demand by facilitating the continued growth of a large marketplace for clean technology goods and services, and,
- Facilitate environmental solutions that deploy clean technologies to clean up the environment, create a better quality of life, and exceed regulatory responsibilities.

New Industrial Zones in Development

The CRA and the Planning Department are developing new industrial zones for the City of Los Angeles which are designed to replace existing M1 and M2 industrial zones. These zones would be implemented through the community planning process (the Community Plan for Central City is currently on hold because of budget constraints). The zones could also be implemented through the requests of property owners to rezone their property.

Scramble Intersection Crosswalk Removals

In June 2010 LADOT has removed three of the four scramble intersection light systems that were installed in the Fashion District several years ago. Property owners and merchants opposed the lighting system saying it was bad for business, confusing for pedestrians, and creating traffic jams.

DLANC Election June 25

BID Managing Director Lynn Myers is a candidate in the Downtown LA Neighborhood Council (DLANC) election for Fashion District Business Director.

CAC City Center Redevelopment

Councilwoman Jan Perry reappointed Kent Smith to the CAC. The first meeting was held on May 25.

Confederation of Downtown Association

A meeting of the CDA organization was held on May 27, 2010. The group decided to continue the organization for the foreseeable future.

Proposed 2010 Third Quarter Administration/Advocacy Activities

- Continue to advocate for the Fashion District BID.
- Prepare for the Annual Property Owner meeting.
- Participate in the CRA's Design for Development Plan for the Fashion District.
- Conduct the Bylaw Amendment voting campaign.

IMAGE AND COMMUNICATIONS

The LA Fashion District BID Image & Communications programs are developed to create a positive image for the District based on the positive changes that take place. Programs are designed to attract new investors and customers to the District as well as attract City investment to the District.

Website Update

The new Fashion District website went live on May 19, 2010. Although the update is an improvement we are encountering many problems with website consultant. We are interviewing other companies to replace the current contractor. Website activity records will resume when the problems are resolved.

CCA's 16th Annual Treasure's of Los Angeles

On Thursday, April 8, 2010, we attended this annual celebration to recognize what's best about Los Angeles. Board Members Dan Bartholomew, Darlene Kuba, and Ramin Haverim, and LAPD Deputy Chief Jose Perez and Captain Jodi Wakefield joined us at the Fashion District table. Over 1,000 downtowners attended the event that took place in the new J.W. Marriott at LA Live to honor 9 individuals and organizations that have contributed to the betterment of LA. Among the honorees was Steve Needleman for the Orpheum Theatre, one of Broadway's crown jewels. Congratulations to Steve and to all the honorees.

CMC on "The List"

California Market Center placed #4 on the Los Angeles Business Journal's List of LA County Meeting Facilities. The List ranked venues according to the square footage of the largest room. The Penthouse is a 93,000 square foot room located at the top floor, ranks third among the largest meeting spaces in LA County.

Macy's Passport Glamorama Moving to the Orpheum Theatre

On June 29, 2010 Macy's held a press conference to announce moving Passport Glamorama, their nationally recognized fundraising effort, to downtown Los Angeles and its new home at the Orpheum Theatre. Macy's decided to move the event to the Orpheum Theatre to extend its use of historic theaters that has been so successful in Chicago and Minneapolis. California Market Center is the site of the after-party.

We want to acknowledge the tireless efforts of Steve Needleman, the owner of the Orpheum Theatre and former Board Member of the LA Fashion District, Jessica Wethington McLean, the Executive Director of Bringing Back Broadway and Councilmember Jose Huizar whose vision for Broadway brought all of us together in this effort. The BID is working with Macys and the Orpheum to provide assistance with public safety during the event that is taking place in September. A story from **California Apparel News** is included in the attachments.

Spring Newsletter

BIDLines was distributed to owners. See *attachments*.

Second Quarter Media Impression, Website Hit, Website Visitor Comparisons

<u>Media Impressions</u>	<u>2010</u>	<u>2009</u>
April	14,256,135	19,799,440
May	29,976,842	23,284,096
June	15,002,875	26,197,273
Totals	59,235,852	69,280,809

<u>Free Advertising Dollars Leveraged</u>	<u>2010</u>	<u>2009</u>
April	\$136,416	\$450,740
May	\$177,546	\$405,155
June	\$95,432	\$266,115
Totals	\$409,394	\$1,122,010

Website activity reports for numbers of Website Hits and Unique Visitors to Website will resume when problems with the website consultant are resolved.

Proposed 2010 Third Quarter Image & Communications Activities

- Participate in logistics for Macy's Glamorama Passport Fundraising Event.
- Resolve problems with website consultant.

SPECIAL PROJECTS

9th & Main Median Maintenance

The lights are being operated manually and the irrigation doesn't water evenly. Our staff was not properly trained by the contractor to work with the computerized lighting and irrigation systems. City Departments will not assist us with troubleshooting because the BID was required to sign off on the Final Acceptance of Work.

The BID consulted with an independent landscape company who will submit a proposal for repair work.

LA Streetcar

Kent Smith has been attending meetings of the LA Streetcar. Meetings were held April 28 and May 28.

Proposed 2010 Third Quarter Special Projects Activities

- Continue work on installation production of the Uniform Parking Signage Project.
- Continue problem solving median and streetscape project maintenance.

ATTACHMENTS

1. Six month Financial Summary
2. "A Good Fit?" *Los Angeles Business Journal*, June 7, 2010
3. "Macy's Passport Glamorama moves to the Orpheum Theatre"
California Apparel News, July 2, 2010
4. BID Lines, Fashion District Newsletter, Spring 2010

FINANCE

LA Fashion District BID
Summary of Un-Audited Financial Information
For the 6 months Ending on June 30, 2010

	2010
ASSETS	
Total Current Assets	\$ 3,103,630
Total Property and Equipment	59,731
Total Other Assets	13,584
Total Assets	<u>3,176,945</u>
 LIABILITIES & CAPITAL	
Current Liabilities	1,733,829
Long Term Liabilities	-
Retained Earnings	1,165,236
Net Revenue / (Loss) YTD	277,881
Total Liabilities & Capital	<u>\$ 3,176,945</u>
 REVENUE	
BID Assessments, Int. & Penalties	\$ 1,770,357
North Alley Overlay	144,000
South Alley Overlay	333,423
Other	92,122
Total Revenue	<u>2,339,901</u>
 EXPENSES	
Clean and Safe Programs	1,147,412
Image & Communication Programs	39,786
Special Projects	107,381
Administration	87,321
City Fees, Depreciation, Bad Debt Allowance	232,698
North Alley Overlay	114,000
South Alley Overlay	333,423
Total Expenses	<u>2,062,021</u>
 NET REVENUE / (LOSS) *	<u>\$ 277,881</u>

* On accrual basis

Los Angeles Business Journal

A Good Fit?

Homes, retail pitched for Fashion District



Thomas Wasper

Fashion District chief Kent Smith on Santee Alley.

By [Alexa Hyland](#)

Monday, June 7, 2010

By day, L.A.'s Fashion District draws thousands of shoppers looking for bargains on stylish jeans and electronic gadgets. By night, the downtown neighborhood is a ghost town.

Plans are in the works to bring in crowds after dark, too. The Los Angeles Community Redevelopment Agency is leading an effort to line the streets of the 101-square-block district with housing, parks, restaurants, entertainment venues, hotels and retailers.

But tensions have already emerged over the proposal. Some business people in the district fear that the CRA's plan to spruce up the area will lead to higher rents, and drive out much of the sewing, warehousing and wholesaling businesses that give the area its character and economic backbone.

The CRA has scheduled a July launch for a yearlong, \$1 million study – dubbed the Fashion District Design for Development – offering options for transforming the district into a 24-hour community.

“It’s a major effort for us,” said Jenny Scanlin, CRA project manager who’s overseeing the study. “And one that I think is long overdue and one that will have a positive impact on the district over time.”

Scanlin said that the city government agency could put millions of dollars into redevelopment of

the Fashion District.

Kent Smith, executive director of the Fashion District's Business Improvement District, has been working with the agency to get the study started. He said the district, which generates more than \$5 billion in annual economic activity for the city and employs 37,000, needs a master plan that will bring more private investment to the district.

"The Fashion District hasn't always been at top of mind with the city and CRA," Smith said. "And we've tried to tell them that we've got some real needs in the district that need to be looked at."

The biggest issue for the long term is zoning. Developers want to know what they can build and where, and whether there will be conflicts if fancy new offices or condos are built next to industrial space.

However, Smith hopes the study will initially focus on the district's basic needs. He hopes the study will recommend better access to public transportation, especially near the Metro Blue Line along Washington Boulevard where the Santa Monica (10) Freeway creates a kind of barrier. He also cited the need for infrastructure improvements such as lighting in the cramped, teeming Santee Alley and updating antiquated storm drains.

But he said the zoning changes are important, too. He noted that "chicken slaughterhouses" are allowed in some sections of the district. A chicken "processing plant" located near one of the district's major wholesale marts is currently operating.

The zoning changes would also make it easier for the district to lure mixed-used projects.

"We are hoping that once the CRA plan gets started, we can get our industrial zoning changed so it can become more flexible and allow mixed-use, which is important for our success," Smith said.

Resident obstacles

The district doesn't have a great track record in residential development.

Some high-profile residential projects that have come on line in the district, such as Santee Village, a \$130 million mixed-use development, have faced tough times. The Santee Village condo project went into foreclosure in 2008, and now Bank of America owns the largely empty property. A Rite Aid store also could not survive.

One problem is that the area doesn't have a good amount of the amenities that support residential developments, such as parks and parking.

Mark Weinstein, whose MJW Investments developed Santee Village but later sold the project, said it's difficult to convince people to move to the district. He favors the CRA's goal, however.

"I think it's a great idea, but it takes a lot of money to produce the proper parking and infrastructure," Weinstein said. "And you have to get people from the office buildings and marts to

stay at night.”

Smith said there are 2,000 residential units in the district. He points to the success of the Emil Brown Lofts, a 38-unit development near Santee Alley that’s set to open in the coming months and already has rented 36 of its 38 units, which go for \$1,285 to \$3,600 a month.

What’s more, the noise and traffic from wholesale and manufacturing businesses are likely to hinder residential development.

“Would you mind living above a little store that sells garments on a retail basis? Probably not,” said Iqbal Hassan, president of commercial real estate brokerage Quantum Associates, who has been representing landlords and tenants in the Fashion District since 1987. “But it might be inconvenient for residents who have to put up with the noise associated with running business operations, which could include manufacturing, warehousing and distribution.”

Smith acknowledges that there are valid points to such skepticism.

“There’s justifiable apprehension,” Smith said. “All of the success of our district hasn’t been due to the city’s intervention, and people say maybe if they intervene they will do more harm than good. But we believe there is a genuine interest in the city to look at the district as a job generator and place of economic activity, and they want to help.”

Detailed look

The Fashion District has been slowly modernizing as property owners have invested millions to renovate old buildings in an effort to better accommodate the area’s booming retail and wholesale operations. For example, the Los Angeles Fashion Center, commonly known as L.A. Face, a 300,000-square-foot commercial condominium project opened in 2009 to primarily service the growing number of Korean-American business owners looking to own a space where they can display wholesale goods for buyers from department stores and boutique retailers. The center features 200 showrooms from about 1,000 to 1,400 square feet that mostly sold for around \$1 million.

But there’s more to be done. Even though there have been improvements to some buildings in the area, the upper floors of others are vacant as garment manufacturers have moved from the district to Vernon, City of Industry, El Monte and foreign countries, notably China.

And some Fashion District property owners believe that a renovation of more buildings in the area could lead to the development of additional office space and residential units, in turn pushing up rental rates for the upper floors and potentially forcing out what’s left of the district’s manufacturing base, which depends on low-cost space.

“For some buildings, it will make sense to upgrade to creative office space and residential, and then you get an upturn in rent,” said Steve Needleman, chief executive of Anjac Fashion Buildings, which owns about 1 million square feet in the district. “But I want to keep manufacturing.”

He said the sewing shops need to stay downtown in order to keep jobs in Los Angeles. However,

other property owners might opt for rent hikes, he acknowledged.

Smith said the CRA study will ensure that any plan would bring added value to property in the area.

To accomplish that, the study will examine how to improve the area's streetscapes and alleyways to create a more pedestrian-friendly environment and duplicate the success of Santee Alley, a retail passage in the district that sees foot traffic volume on the weekends comparable with Santa Monica's Third Street Promenade.

The study will also include an analysis of adding bike lanes, bringing streetcars to the district and making it easier to park.

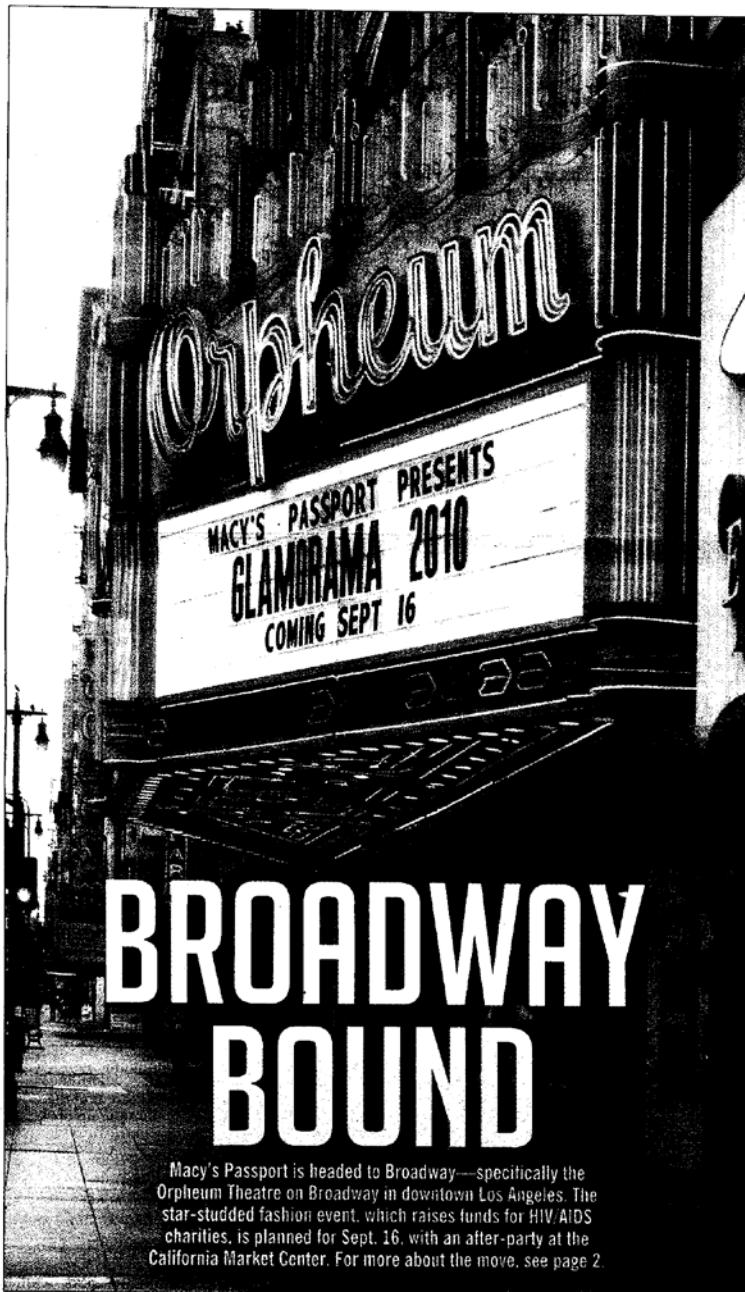
As for zoning, the study will map areas within the district most suitable for housing developments and businesses that serve residents. It will recommend zoning changes to ensure that development in the area best serves the apparel industry.

"It's about examining the assets and some of the issues within the district," said Scanlin at the redevelopment agency. "And coming up with short- and long-term solutions and looking at an overarching investment plan for private investment as well as public investment to the area."

CALIFORNIA ApparelNews

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\$3.50 VOLUME 66, NUMBER 28 JULY 2-8, 2010



BROADWAY BOUND

Macy's Passport is headed to Broadway—specifically the Orpheum Theatre on Broadway in downtown Los Angeles. The star-studded fashion event, which raises funds for HIV/AIDS charities, is planned for Sept. 16, with an after-party at the California Market Center. For more about the move, see page 2.

Changing Value in Chinese Yuan One More Headache for Apparel Manufacturers

By Deborah Belgum Senior Editor

In the last year, cotton prices have skyrocketed as much as 55 percent. Chinese workers are pushing for bigger paychecks. And now the Chinese government is appreciating the value of its national currency, making it more expensive to manufacture in the country that is the apparel factory to the world.

"The yuan was the next thing to hit," said Michael Weisberg, chief executive of Second Generation Inc., a Los Angeles company that makes teen clothing under the Be-Bop and Fishbowl brands.

For the last few years, U.S. apparel manufacturers have been able to contain costs as soft economic conditions worldwide kept labor costs low and raw materials in ample supply.

➔ Yuan page 4

TRADE SHOW REPORT

Business Better at Fashion Market Northern California

By Andrew Asch Retail Editor

SAN MATEO, CALIF.—At Fashion Market Northern California, many of the trade show's vendors said the economy is improving but by baby steps.

Vendor space was sold out at the show, which ran June 26-29 at the San Mateo County Event Center in San Mateo, Calif., which is 20 miles south of San Francisco. More than 166 vendors showed contemporary and misses brands at the regional trade event, which runs five times annually.

Also, buyer traffic was reportedly up, especially with boutiques from the Pacific Northwest. Many vendors said their sales were superior compared with the Fashion Market Northern California's June show in 2009.

However, many retailers were still playing it safe at the show.

➔ Northern California page 3

INSIDE

Where apparel gets down to business



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Billabong buys Canadian retailer ... p. 2

Ever's Bleick debuts new line ... p. 3

OC Swim Show planned ... p. 4

www.apparelnews.net



NEWS

Macy's Passport Heads to Orpheum Theatre

Macy's Passport has a new name and a new home, located at the Orpheum Theatre in downtown Los Angeles.

After 14 years on the city's west side, Macy's Passport—now called **Macy's Passport Presents Glamorama**—will move to downtown Los Angeles for its Sept. 16 event. And the Passport after-party will be held at the California Market Center in downtown.

"This is huge for downtown," said Kent Smith, executive director of the Los Angeles Fashion District Business Improvement District.

The September event will raise funds for AIDS Project Los Angeles and Project Angel Food. For 28 years, Macy's has been raising funds for HIV/AIDS research and education through its Passport events in San Francisco, Chicago, Minneapolis and Los Angeles. Over the years, the event has raised more than \$28 million.

The star-studded event will feature two headliner performances by Grammy winner Macy Gray and singer-songwriter Eric Hutchinson—and, of course, plenty of fashion, including Calvin Klein, Tommy Hilffier, Just Cavalli, Jazazel and Marc by Marc Jacobs.

In recent years, Macy's Passport has been held at Barker Hangar in Santa Monica, Calif. But Milinda Martin, Macy's vice president of media relations and cause marketing, said Passport's events in Chicago and Minneapolis are held in historic theaters.

"We wanted to see if we could create that energy in L.A.," she said, adding, "We're excited to be part of downtown fashion and to do what we can to raise the visibility of Los Angeles as a fashion center."

Assisting in the effort to bring the event downtown were **Bringing Back Broadway** and

Los Angeles City Councilmember Jose Huizar. Bringing Back Broadway is an initiative to revitalize the historic movie theaters surrounding Broadway in downtown Los Angeles.

"It's a 10-year plan to bring back many of the theaters on this corridor and, once again, make Broadway the heart of Los Angeles," Huizar said.

The Orpheum Theatre was built in 1926. Owner Steve Needleman renovated the space in 2001, restoring many of the building's original architectural features. He said the

partnership with Macy's came about quickly, adding, "There are not a lot of 2,000-seaters [in downtown]."

In addition to owning the Orpheum, Needleman is president of Anjac Fashion Buildings. As a second-generation member of the fashion community, he said, hosting such a high-profile fashion event also held sentimental value.

"Being born and raised in this industry, this is something that touches my heart."

—Alison A. Nieder

Dow Discontinues XLA Fiber

Midland, Mich.-based Dow Chemical Co. has announced that it will cease operations for and stop production of the Dow XLA stretch fiber within months.

XLA is part of the \$58 billion chemical giant's Dow Fiber Solutions division, which is also shuttering.

"This decision is consistent with our effort to streamline and focus the company's portfolio of businesses," said Rebecca Bentley, Dow's senior public-affairs leader. "After a thorough review, Dow determined that DFS was unable to compete with other Dow Performance Businesses for further investment and expansion."

DFS and XLA, which launched in 2002, targeted the contemporary and premium-denim markets, forming partnerships with brands such as Citizens of Humanity and Paige Premium Denim. XLA, an olefin-based soft stretch fiber, was billed as a good fit for the denim industry, as it could withstand the harsh chemicals and high tempera-

tures used in washing and treating jeans.

As recently as April, Dow Fiber Solutions was announcing collaborations with a variety of brands. The latest collaboration was with United Kingdom-based brand Alexander, which planned to release a collection of workwear made of fabrics using XLA.

XLA will fulfill final orders placed by customers before shutting down the XLA factory, which is located in Tarragona, Spain. "We will take every reasonable step to minimize any disruption to our customers' business and to support their final product-supply requirements as they plan to transition their current business with XLA to suitable alternative materials," Bentley said. Both DFS and the XLA factory will cease all operations in the third quarter of 2010. —Erin Barajas

Billabong Buys Canadian Retailer

Surf label Billabong International Ltd. announced June 30 that it would purchase its Canadian retail partner, West 49 Inc.

Billabong closed the deal at \$99 million (Canadian) for West 49 Inc.'s 138 boutiques. The Burlington, Ontario-based chain maintains a fleet of stores under several nameplates, which include West 49, D-Tox, Amnesia/Arsenic, Off The Wall and Billabong. The deal will increase the availability and the penetration of Billabong brands in Canada and also will increase the opportunity to expand West 49, according to a Billabong statement.

West 49 will remain a multi-brand retailer. The store's core management, including Chief Executive Sam Baio, will remain in their positions, the statement said. West 49's board of directors unanimously approved the acquisition, and the sale is expected to be completed in September.

The West 49 Inc. acquisition is just the latest in a buying spree by Billabong, an Australian company that maintains an American division, Billabong North America, which is based in Irvine, Calif.

In May, Billabong acquired Becker Surf & Sport, a core-surf boutique chain based in Hermosa Beach, Calif. In November 2009, it acquired San Clemente, Calif.-based e-commerce boutique Swell (www.swell.com). In 2008, the company purchased East Coast surf retailer Quiet Flight. It also owns surf and skate brands Plan B, Element, Custom, Nixon, Da Kine, Xcel and Honolua Surf Co. The company is also widely rumored to be wrapping up a deal to purchase the influential Costa Mesa, Calif.-based fashion label RVCA, although a Billabong representative did not respond to a request for comment on the matter. —Andrew Asch

Corrections and Clarifications

In a June 25 story about Pacific Sunwear, one of the company's new executives was incorrectly identified. PacSun's vice president of marketing is Robert Cameron.

WEEK IN REVIEW

National

Nordstrom Rack on the move. Seattle-based boutique retailer Nordstrom is opening new Nordstrom Rack stores in Cherry Hill, N.J., and Arlington, Texas, in early 2011. The 36,000-square-foot New Jersey store will open at Towne Place at Garden State Park. The 31,673-square-foot Texas store will open at The Parks at Arlington mall.

Macy's moms-to-be. Philadelphia-based Destination Maternity Corp. and Cincinnati-based Macy's Inc. are expanding their maternity-apparel leased-department relationship. Currently, there are 113 Destination Maternity departments in Macy's stores around the country. By March 2011, more than 500 additional Macy's stores will feature Destination Maternity departments. The maternity departments carry a mix of Destination Maternity brands, including Motherhood Maternity and A Pea in the Pod.

A&F resurrects the catalog. The Abercrombie & Fitch catalog is back. Discontinued in 2003, the A&F Quarterly drew as many fans as foes thanks to steamy photography by Bruce Weber of well-formed and scantily clad teens. The new Quarterly will bow on July 17 and sell for \$10 on the retailer's website.

Britney designs for Candie's. Pop star Britney Spears will add "designer" to her resume with a limited-edition Back-to-School collection for Candie's, the juniors label owned by New York-based Iconix. The Britney for Candie's collection will include apparel, handbags and jewelry and will be exclusively available at Kohl's department stores.

Survey says: Fashion sells. Consumers who describe themselves as "fashion forward" may be small in number, but they make up for it in spending, according to a new Retail Consumer Dynamics Study released by Little Rock, Ark.-based Axiom. The study found that half of all consumers surveyed described themselves as "value-driven," while 24 percent said they are "conservative/traditional." A mere 16 percent described themselves as "fashion forward," meaning they look for the newest trends and styles. But these trend-focused consumers said they spend, on average, 1.7 times as much as the conservative shoppers and 2.7 times as much as those who call themselves "value-driven."

Quote of the week

Two years is suddenly an eternity in fashion, and the economic crisis has made everyone, retailers and designers, extremely competitive. The most sophisticated talents now know that they can't exist without the mainstream. Cool is a ghetto.

—Journalist Cathy Horyn in the *New York Times'* coverage of the Paris men's shows

NY Textile Resource Guide • Finance Advertiser • Lingerie Special Section • Swim Special Section • Made in America • Tags & Labels Advertiser • Supply Chain Special Section • Eco Special Section • Industry Focus: Finance • Fashion Advertiser

Coming soon...

July 9
Cover: Swim Preview
Dorin Report
What's Checking
Webwatch

NY Textile Resource Guide Waterwear

Bonus Distribution
California Gift Show 7/13-19
LA Gift & Home Market 7/13-19
Premiere Vision Preview NY 7/14-15
Mercedes-Benz Fashion Week Swim 7/15-19
Miami Swim Show 7/17-20
Salon Alura-Miami 7/17-20
Blue 7/18-20
Market NY 7/18-20
Texworld 7/13-15

July 16
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Mid-Year Financial Review
Surf Report

Finance Advertiser Lingerie Special Section

Bonus Distribution
California Gift Show 7/13-19
LA Gift & Home Market 7/13-19

July 23
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Technology

Swim Special Section Made in America Tags & Labels Advertiser

Bonus Distribution
AccessoriesTheShow/FAME/
Moda Manhattan 8/1-3
Circus NY 8/1-3
Apollonia 8/4-5

July 30
Cover: Market Must Buys
New Resources
Spot Check

Supply Chain Special Section Eco Special Section Industry Focus: Finance Fashion Advertiser

Bonus Distribution
West Coast Trend Show 7/31-8/2
Direction 8/3-4
Kingspin 8/3-6
Outdoor Retailer 8/3-6
Agenda 8/4-5
Chicago StyleMax 8/7-10
Brights Companies 8/9-11
LA Fashion Market 8/9-11
Designers & Agents 8/9-11
AccessoriesTheShow/L.A. Vegas 8/16-18
CokeW 8/16-18
ENK Vegas 8/16-18
WWN 8/16-19
SourcingMAGIC 8/16-19
FN Platform 8/17-19
GS&H 8/17-19
MAGIC 8/17-19
POOL 8/17-19
Project 8/17-19
WWD/MAGIC 8/17-19



To reserve space call Terry Martinez
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BID LINES

LA Fashion District

Business Improvement District Newsletter

Spring 2010

110 East 9th Street , Suite A1175, Los Angeles CA 90079 213.488.1153

Councilman Huizar Recognizes Fashion District Development Plan



Councilman Jose Huizar (left), District 14, discusses community issues with stakeholders at a business leader's breakfast on March 25, 2010 held at Tiara Cafe in the Fashion District.

At a "State of the Downtown Area" business leader breakfast meeting on March 25th

Councilman Jose Huizar, District 14, congratulated the Fashion District on starting the process toward creating a district-wide community development plan.

The Community Redevelopment Agency (CRA), city officials and community stakeholders are working together to design the Development Plan that will become an important step toward procuring capital improvement funds for the Fashion District in the future.

Fashion District Property Owners Testify at Public Hearings to Oppose LA DWP Rate Increases

Building owners **Steve Hirsh** and **Steve Needleman** testified at several public hearings and commission meetings to oppose the rate increases proposed by the Los Angeles Department of Water and Power (LADWP). Hirsh and Needleman articulated the devastating effect rate increases would have on the Fashion District's property owners and businesses.

Councilwoman Jan Perry, District 9, led the questioning of DWP's proposal to raise rates 0.7cents per kilowatt hour (/kWh) without consistent information on the department's finances and plans. Perry is also Chair of the City's Energy and Environment Committee. Based partly on opposition by business community leaders, the City Council limited the increase to 0.6 cents/kWh and delayed the increase July 1, 2010.

The City Council agreed to the rate hike with the understanding that it was necessary to preserve LADWP's credit rating, and that the parties would revisit the issue in the coming months. The Mayor has stated his intention to come back to the City Council with a plan for additional rate changes by September 1st with the goal of implementing a new electric rate, if any, by October 1st.



Removing 5,000 graffiti tags a year | 49,000 crime prevention safety checks yearly | Receiving [2.9 million website hits a month](#)

1st Quarter Activity & Incident Summary

First Quarter CLEAN TEAM REPORT

459	Tons of Trash Collected
1,587	Graffiti Tags Removed
2,634,139	Sq Ft of Sidewalk Cleaned

First Quarter SAFE TEAM REPORT

Total # Contacts – Incidents – Events
31,474

These categories are just a few of the Contacts – Incidents and Events that are counted by the BID Safe Team...

Location Check totals **16,533**

Category includes

Crime prevention

ABC checks

Unlawful lodging

Labor workers

Merchant Contact totals **3,462**

Category includes

Business contacts

Illegal dumping

Sidewalk obstruction

Citizen Assist totals **2,908**

Category Includes

Welfare checks

Vehicle monitoring

Illegal Vending totals **2,045**

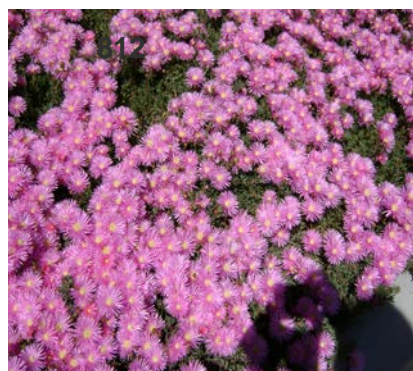
Category includes

Food

DVDs

Merchandise

Around the LA Fashion District



Clean & Safe

Teams

2010 First Quarter

Activity Report

The LA Fashion District Business Improvement District's (BID) data collection system allows us to effectively track incidents, events, contacts, and location checks throughout the district.

The graph on the left shows the activity recorded during January, February, and March.

The Safe Team made **31,474 contacts** with the public and business owners in the first quarter of 2010.

Of those contacts over **16,000** were **Location Checks** that were performed by the Safe Team. Every property in the BID, especially in problem areas, is checked to ensure that doors are locked and graffiti tags reported. There were **812** incidents of **Disorderly Conduct**.

459 Tons of Trash Collected up and
 1587 Graffiti Tags Removed

Call the BID

Clean & Safe
 Team for
 24-Hour Response

(213) 741- 2661



9th & Main Median in Bloom

Funding for this colorful streetscape improvement project came from the Metropolitan Transit Authority and the LA Department of Transportation. The BID maintains the landscaping.

Fashion District Included in Injunction Boundaries On April 7th City Attorney Trutanich filed an injunction naming 80 individuals that are involved with selling drugs in Skid Row. The injunction establishes a “Central City Recovery Zone” that is bounded by Broadway, Central Avenue, 3rd Street, and 9th Street. Named individuals will not be allowed in the zone. The injunction will also give the City Attorney the authority to add up to 300 additional people. The injunction will require approval from a judge before implementation.

Part 1 Violent Crime Down 15% in 2010 Los Angeles Police Department Central Division Captain Chamberlain reports that Part 1 Crime is down 15% compared to 2009 YTD. Property crime is down 13%. Basic Car A185 reports that the Fashion District BID area continues to look good crime-wise thanks to the hard work of the area officers and the Fashion District BID. On April 16, BID representatives met with newly appointed Deputy Chief Perez and Commander Chow to discuss how to improve the BID/LAPD partnership. We requested that the command staff reexamine the Central/Newton boundaries to make it easier for citizens to report crime. We also agreed to work together to summarize BID contact information for LAPD use to help prevent criminal activity.

LAPD & BID Stop Illegal Pet Sales We worked with LAPD and Animal Services three consecutive weekends before Easter to stop illegal vendors from selling animals. Their efforts attracted media and blog attention from the LA Times, KTLA, KNX, LA Weekly, and Downtown News. One vendor was arrested on felony charges and hundreds of animals were rescued. The Department of Animal Services has submitted a report to the Mayor requesting an amendment to the Municipal Code to expand the ban on sales of animals to include banning purchase.



Mother's Day at the Flower Marts



Top Chef Creating Culinary Masterpieces at Gram & Pappas Restaurant

Top Chef Ludo Lefebvre chose Gram & Pappas on 9th Street in the Fashion District as the location for his latest pop up guerilla style restaurant. “LudoBites” is a month-long culinary event featuring a different menu every evening. Chef Lefebvre made a name for himself as the executive chef for L’Orangerie and Bastide, two of LA’s most famous restaurants. Ludo has been seen on television shows Top Chef Masters, Iron Chef America, and The Today Show.



LA TIMES – 4-19-10: Chef Ludo Lefebvre at Gram & Pappas Restaurant on 9th Street in the Fashion District.



BIDLINES LA Fashion District Business Improvement District Newsletter

Spring 2010

110 East 9th Street, Suite A 1175, Los Angeles, CA 90079

P 213.488.1153 F 213.488.5159

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Return Service Requested



Removing 5,000 graffiti tags a year | 49,000 crime prevention safety checks yearly | Receiving 2.9 million website hits a month



LA Fashion District Business Improvement District

2010 Activity Reports

Third Quarter

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Administration and Advocacy

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- Proposed 2010 Fourth Quarter Activities

Image, Communications and Special Projects

- Image & Communications Programs
- Proposed 2010 Fourth Quarter Activities
- Special Projects Programs
- Proposed 2010 Fourth Quarter Activities

II Attachments

2010 OPERATING BUDGET SUMMARY

The 6-month financial results are included as *Attachment 1*. The total improvement plan budget for the 2010 Amended Fashion District BID is **\$3.9 million**.

FINANCE

2011 Budget Review

On September 14, 2010 the Finance Committee reviewed the Proposed 2011 Budget and forwarded to the Operations and Image and Communications Committees for approval before it is presented to the full Board of Directors for final approval on November 18, 2010.

Proposed 2010 Fourth Quarter Finance Activities

- Finalize 2011 Budget.

PUBLIC SPACE MANAGEMENT ACTIVITIES

2010 Annual Budget **\$2,556,973** **60% of the budget**

This portion of the budget is allocated to all Clean & Safe Program Services.

PUBLIC SPACE SAFETY PROGRAMS

Starting April 1, 2010 year over year district-wide statistic comparisons will be reported for the 115 block area.

Third Quarter Contact Summary

Illegal Vending saw the highest activity during the 2010 Third Quarter with 1649 events recorded. September records were an improvement over those of July and August. Overall activity in this category increased nearly 40% compared with records from 2009 Third Quarter. Consistent enforcement in partnership with LAPD appears to be the only chance the BID has to maintain any control over this rampant abuse of city streets by illegal vendors. It seems that the Fashion District has evolved into the downtown vending district especially when compared to other parts of downtown that are not inundated with illegal vendors. We are exploring the possible approaches to filing for city dump fee exemptions and other expense reductions based on our apparent designation as the downtown vending district.

BID Safe Team Officers recorded 869 **Disorderly Conduct** events during the third quarter. This is a significant decrease from the 934 events reported during the 2009 Third Quarter. The Disorderly Conduct category includes Drinking in Public, Trespassing, Panhandling, and Drug Activity.

As a proactive precaution against criminal activity, the BID continues conducting **Location Checks for Crime Prevention** with 19,457 individual location checks recorded during the third quarter of 2010.

BID Now Managing North & South Santee Alley Security

On Saturday, August 14, the LA Fashion District BID took over the administrative management of the off-duty police officers working in both the North and South Santee Alleys. The transition is progressing at a positive pace. The LA Fashion District BID's focus for this high pedestrian traffic area is safety, dependability and the efficient deployment of resources.

LAPD & BID Meet to Discuss Community Issues

On Thursday, August 19, 2010 LAPD Chief Perez, Commander Blake Chow, and the two Newton Division's Captain Mark Olvera and Captain Robert Lopez met with LA Fashion District Executive Director Kent Smith and Operations Director Randall Tampa to discuss a wide variety of issues including the liquor stores on San Pedro, the transitory/ intoxicated groups at 9th and San Pedro, illegal vending, the weekend swap meet east of San Pedro between Pico and 9th Streets, gang activity, and illicit DVD sales.

We received a great response from the LAPD with a promise of a more consistent and proactive police response to the Fashion District. Randall Tampa is going to meet more frequently with Captains Lopez and Olvera to discuss the results of our partnered BID & LAPD deployments.

Chief Perez convened the meeting after an all day ride/walk of the Fashion District with Randall Tampa and follow up meeting with Kent Smith and Board Chair Mark Chatoff.

Meeting with LAPD Assistant Chief Paysinger

On Thursday, August 26, 2010, BID staff met with LAPD Captain Todd Chamberlain, Central Division and Assistant Chief Earl Paysinger at Gram & Papas at 9th & Santee to talk about issues of importance to the Fashion District. Captain Chamberlain reported that crime is down 10.8% compared to 2009. He attributed the significant reduction in 2010 from already record breaking crime reduction in 2009 to the partnership between the BID and LAPD.

Issues we raised included:

- a) The rising number of encampments in the district.
- b) Boundary issues between Newton & Central along San Pedro & Maple.
- c) Criminal activity at the Huntington Hotel. The Captain noted that a recently conducted undercover operation resulted in 13 arrests in & around the hotel.

One result of the meeting was reaching an agreement to immediately optimize the surveillance cameras located in the district to help arrest those responsible for criminal activity in the district. A follow up meeting is planned to discuss issues on Main and Los Angeles Streets.

LAPD / BID Partnership

On September 2nd Kent Smith attended a speech by LAPD Captain Todd Chamberlain, Central Division, who credited LAPD's relationship with BIDs as one of the major factors that has made downtown a much safer place. This week we also met with LAPD Senior Lead Officer Randall McCain to discuss crime and quality of life issues in the Fashion District.

Food Cart Update

On Wednesday, August 11, 2010 we attended City Council's Transportation Committee public hearing on Food Trucks/Cushman Carts. We gave testimony about the negative impacts of these operations on our tenants and described the trash and waste they generate. We also brought statistics (obtained from Our Safe Team's hand held computers) about the number of carts and their distribution. A big Thank You to Kathleen Damani from Samko General Partnership who also testified about the impact of food trucks on her building at 6th and Los Angeles Street. The matter was transferred to the Jobs & Economic Development Committee that is looking into ways to promote established restaurants. Since then the most recent update comes from the CLA's office informing us that the matter is being taken up again by the Transportation Committee and another meeting is planned for mid-October. We will continue to track this issue.

Homeless Encampment Town Hall Meeting

We met with representatives from the Flower Market to address the growing number of encampments there. Sergeant Ronald Crump of the LAPD's Safer City Initiative, Randall Tampa and Kent Smith from the BID held a "town hall" meeting with the homeless on San Julian (including several elderly men and women) and persuaded them to move their encampment to a more suitable location.

Owners Urged to Talk to Tenants About Safety Precautions

On September 14, 2010 Members of the BID Board of Directors discussed recent reports from the LAPD about gang activity in the district. Property Owners were asked to talk with their tenants about reporting graffiti and purse snatching. Tenants and their employees should to stow personal items such as purses in a secure place. If they see graffiti they should not try to paint or wash it out. They can report the location of the graffiti immediately to the BID and/or LAPD.

Huntington Hotel

We worked with LAPD to compile crime statistics which have occurred in and around the Huntington Hotel from July 1, 2010 to September 8, 2010. Nine crimes occurred in the area between 7th and 9th Streets and from Spring Street to Los Angeles Street during this period. This information was forwarded to the City Attorney who is handling the nuisance abatement case.

New City Ordinance Helps Investigators Identify and Cite Dumping Violators

Catching illegal dumpers isn't easy but now we have help. A new amendment to the Los Angeles Municipal Code that took effect on July 5, 2010 now authorizes the Bureau of Street Services (BSS) to administratively fine violators based on evidence found in dumped trash that identifies a responsible party. The new amendment imposes a graduated penalty of \$500, \$750, and \$1,000 for each successive violation of the ordinance in a 12 month period. A fourth violation would result in criminal prosecution as a misdemeanor violation.

Fashion District BID Safe Team officers will be trained by City staff to inspect and collect evidence from illegally dumped trash.

Proposed 2010 Fourth Quarter Public Safety Activities

- Continue education information for property owners on their responsibilities for discouraging illegal activities by tenants on their premises, and to comply with clean sidewalk codes.
- Continue to act as liaison to direct homeless populations to service organizations.
- Address illegal vending in the district.

PUBLIC SPACE MAINTENANCE PROGRAMS

The Fashion District BID maintenance programs deal with improving the public environment by providing graffiti removal, sidewalk and alley cleaning, street trash removal, tree trimming, weeding and poster removal.

Graffiti Removal

2010 third quarter graffiti removal records show reduced numbers of graffiti tags compared to 2009.

<u>Graffiti Removal – 3rd Quarter</u>	2010	2009
July	315	487
August	413	422
September	129	398
Total	857	1307

Trash Tonnage

There is an increase in trash tonnage over last year's records. This is due in part to more trash left on the streets or picked up by our Clean Team from illegal vendors and hot dog carts.

<u>Trash Tonnage– 3rd Quarter</u>	2010	2009
July	171	135
August	181	142
September	161	141
Total	513	418

Proposed 2010 Fourth Quarter Public Maintenance Activities

- Continue to work to educate property owners and merchants about appropriate trash collection procedures.

ADMINISTRATION, IMAGE & COMMUNICATIONS, SPECIAL PROJECTS ACTIVITY

Annual Budget **\$571,605** **13% of the Overall Budget**

This portion of the annual Fashion District BID budget includes all Administration, Image & Communications, and Special Projects service programs. The remaining budget is allocated to City Fees, Depreciation, and Uncollected Revenue.

ADMINISTRATION

GOVERNANCE

Bylaws Amendment Effort Unsuccessful

The Corporation Bylaws were last revised in 2003. The statutes are working well however several issues have emerged that could be improved with changes. Election costs, zone representation, resident representation, and reducing the number of Board Members were discussed by the Board of Directors. Any changes to the Bylaws require a majority vote by the property owners. The Board Chair appointed Laura Aflalo, Barry Gold, Ramin Haverim, Elisa Mermelstein Keller and Steve Hirsh to an Ad Hoc Committee that will prepare recommendations for Board consideration. The Bylaws Review Committee started meeting during the 2010 First Quarter.

After multiple revisions and distribution of two separate ballots the number of votes received did not reach the 50% total required to change the Bylaws. The results were announced at the Annual Property Owner Meeting on July 22, 2010.

Based on information available the Bylaws Review Committee decided to recommend to the Board of Directors that no further efforts to amend the Bylaws should be made due to cost and lack of required support.

2010 Annual Property Owner Meeting

The 14th Annual Property Owners Meeting was held on Thursday, July 22, 2010 at 10:30 am. The agenda included results of the vote to amend the Bylaws of the DPOA and the annual LA Fashion District BID Status Report.

2010 Board of Directors Election

In August all LA Fashion District BID Property Owners received an invitation to become a candidate in the Board of Directors election. Six seats are available. Terms will commence on January 1, 2011.

On September 28, 2010 eight candidates were ratified to run in the election by the Election Committee. Ballots will be mailed in November to all property owners who qualify. Election results will be announced in December.

ADVOCACY

CRA Launches \$1 Million Design for Development (DFD) Study of the LA Fashion District

The Community Redevelopment Agency has launched the first comprehensive study of the LA Fashion District with the hiring of AECOM. This is a Fortune 500 company that is internationally recognized for their engineering and environmental expertise. The \$1 million – 18 month long study is intended to be an implementation plan that will address multiple components specific to the Fashion District including but not limited to:

- **A Market Feasibility Study** to identify the highest and best uses of the Fashion District and strategies to attract new uses and employers,
- **Land Use Section** to guide future land use decisions in the District by identifying an appropriate and viable land use vision,
- **Green Streets and Alley Network Section** to create a strategy for diminishing street flooding and developing commercial/retail uses for the 41 alleys in the district,
- **Urban Design Section** to provide guidelines and recommendations for new developments and rehabilitation of existing buildings. At least 10 sites in the district will be selected as pilot projects.
- **Transportation Section** will identify creative solutions for compatible use of the street by pedestrians, public transit, cars and trucks,
- **Sustainability Section** for LEED ND greening certification guidelines,
- **Public Art / Creativity Section** that produces guidelines that reinforces the creative environment brand of the LA Fashion District.

The first stakeholder meeting was held on Thursday, August 12, 2010 at 11:30 am. The 50 attendees were asked to talk about their three priorities for the district. Clean and Safe was Number 1 on nearly everyone's list.

During September, AECOM launched outreach efforts to gain insight into expectations for the LA Fashion District. Focus groups and individual interviews are planned.

To maintain stakeholder involvement AECOM created a website Fashion Your District Community Outreach Website www.fashionyourdistrict.org that explains the purpose of the project, event calendar, and provides an online forum for community members to give input on various elements of the plan throughout the 18-month long project.

Parking Day LA

The LA Fashion District participated in Parking Day LA with a "park" in the district. The study consultant (AECOM) did the planning and staffing of the Fashion District park as a community outreach tool for the Design for Development Study. The pop-up park was set up on Maple Avenue between 11th Street and 12th Street. Shoppers and tenants were invited to comment on the future of the Fashion District, and KTLA Channel 2 and Blogdowntown.com visited the park.

Orpheum Theatre is New Home for Macy's Passport Glamorama Fundraiser

Macys Passport is a nationally recognized fundraising effort that takes place yearly across the country. This year we are delighted that this important event is making its new home the Orpheum Theatre. Macy's decided to move the event downtown to the Orpheum Theatre to extend its use of historic theaters that has been so successful in Chicago and Minneapolis. California Market Center is the site of the after-party.

We want to acknowledge the tireless efforts of Steve Needleman, the owner of the Orpheum Theatre and former Board Member of the LA Fashion District, Jessica Wethington McLean, the Executive Director of Bringing Back Broadway and Councilmember Jose Huizar whose vision for Broadway brought all of us together in this effort. The BID is working with Macys and the Orpheum to provide assistance with public safety during the event.

The fundraiser was held on September 16, 2010 and was a celebration filled with chart-topping musical acts, celebrity appearances and fashion designers brought together for one exciting evening.

BID Supports Motion to Restrict Food Truck Operations in Commercially Zoned Areas

At the Transportation Committee meeting on August 11, 2010 we testified in favor of a possible amendment to the current catering truck ordinance that will limit the number allowed on city streets. Board Members were encouraged to attend this meeting to testify on the proliferation of catering trucks in the Fashion District. We also believe that all food truck operations should be restricted in industrially zoned areas with substantial retail uses like Santee Alley. We emphasized that the LA Fashion District BID, located in downtown Los Angeles, is a 100-block commercial area comprised of over 4,000 businesses that sell wholesale and retail apparel, textiles, and flowers. There are also over 100 restaurants. Catering trucks and Cushman Carts are attracted to the district because of the enormous amounts of pedestrian traffic. Our narrow sidewalks and streets were not designed for food trucks that use the same location 365 days a year. Not only does the district lose valuable on street parking spaces but adjacent merchants have to deal with food smells that permeate merchandise and the crowds of sidewalk diners who block entrances to stores. From January – June 2010 the BID received 1,455 complaint calls from merchants and property owners about the food trucks.

At the meeting Councilman LaBonge called for organization of a Task Force to address the issue of catering truck parking at meters in commercial zones. The LA Fashion District Business Improvement District (BID) requested the opportunity to participate as a member of the Task Force. In late September a Task Force meeting was convened and all catering truck owners were invited, however city staff neglected to invite the BID.

Helping to End Homelessness with Project 50 Model

In August 2010, we attended a meeting with Barbara Poppe the new Executive Director of the Federal Government's Interagency Council on Homelessness. Ms Poppe was just appointed by President Obama to lead the Federal Government's effort to end homelessness in America. The Council released their report "Opening Doors" in June outlining strategies and actions to end chronic homelessness by 2015. We attended the meeting as members of the LA Chamber of Commerce/United Way's Task Force on Homelessness. Kerry Morrison from the Hollywood Entertainment District and I are the only "BID people" on the task force which has members from the business community. We are working on a Los Angeles strategy to end chronic homelessness in LA with a particular focus of getting people living on the street into housing. The LA Times just ran a four part series on **Project 50** a pilot project by the County of LA to target the most challenging "street people" in Skid Row to get them off the street. This "housing first" model has significantly reduced street homelessness in New York, Denver and San Francisco. You can access the articles at www.latimes.com/project50 Our recommendations are in alignment with those of the Interagency Council and we will release the report in November, 2010. Anyone who wants to read the Federal Government's "Open Doors" report can go to the USICH website at www.usich.gov

On September 1, 2010 the LA Chamber of Commerce/United Way Countywide Task Force to End Homelessness also met this week. Kent Smith, who is a member of the Task Force, provided comments on the first draft of the report which is planned for release in November 2009. The report will include targets to reduce chronic homelessness and provide benchmarks to hold public and non-profit agencies accountable for their work.

BID Staff Appointments

Councilwoman Jan Perry, District 9, reappointed Kent Smith to serve on the City Center Redevelopment Project Area Community Advisory Committee (CAC).

Lynn Myers was elected to the Downtown LA Neighborhood Council (DLANC) to serve a two year term as Fashion District Business Director.

Repaving Santee Street

A section of Santee Street between 8th and Olympic was finally repaved. The work was done overnight as always however this area is now home to many residential condo owners and loft dwellers. It's very noisy business and we thanked residents for their patience and willingness to give up a night's sleep for a new driveway.

Several years ago Santee between 16th and Pico was repaved. The section between Olympic and Pico remains in terrible condition. The Street Paving Department is looking forward to completing the job as soon as there are no new underground utility permits filed for this section of Santee. Repaving can only be done on a street that is not scheduled for underground work.

Card & Coin Parking Meters

LADOT introduced new parking meters in parts of the LA Fashion District to replace current 2 hour parking meters. The new meters are more reliable and accept credit cards, debit cards and coins. Installation should be completed by the end of August, 2010. Additional information is included in the attachments.

7-Eleven Store Proposed for 9th & Broadway This store will be built out in the former Pay Less Shoe store. The developer has incorporated the Broadway Development guidelines. They are working to revise the general Security Plan, increasing the number of surveillance cameras from 4 to 8 and implemented an extensive training program ("Coming of Age") for our franchisees and their employees where they learn how to manage sales of alcohol. The LA Fashion District BID requested on site security guards to provide an extra measure of neighborhood safety.

LA Street Car Project Update

The LA Streetcar effort is being backed by three of the city's most prominent businessmen, Eli Broad, Rick Caruso and Tim Leiweke. They believe that the new streetcar project can provide the missing link in the revitalization of downtown by connecting the city's various destinations. A fundraiser was held on September 30, 2010 raising over \$200,000.

Proposed 2010 Fourth Quarter Administration/Advocacy Activities

- Continue to advocate for the Fashion District BID.
- Participate in the CRA's Design for Development Plan for the Fashion District.
- Conduct the Election of Board Members voting campaign.

IMAGE AND COMMUNICATIONS

The LA Fashion District BID Image & Communications programs are developed to create a positive image for the District based on the positive changes that take place. Programs are designed to attract new investors and customers to the District as well as attract City investment to the District.

WHAT'S NEW in the LA Fashion District BID

We are publishing a weekly email update to property owners whose email addresses we have on file. Basically it's a weekly version of the Executive Director's Report and the quarterly City of LA Activity Report. Our goal for the new email updates is to increase communication on issues that impact our stakeholders and provide a consistent report of BID activities. We will continue to print and mail the quarterly newsletter BIDLines in order to comply with our City contract.

Summer Newsletter

BID Lines stories highlighted the Design for Development Plan and LA Times Image Section stories about the LA Fashion District. See Attachment 2.

Publicity

The **LA Times Sunday Image Section** published on August 8, 2010 was all about downtown style, the Fashion District and downtown fashion destinations. The BID worked with reporters for several weeks in preparation for release of this group of stories.

We met with representatives from the **Craft & Hobby Association (CHA)** a national membership organization with 35,000 members. Their PR and Marketing staff are planning their annual conference that will be held in the LA Convention Center from January 28-February 1, 2011. CHA staff was very impressed with the amazing variety of options in our district that will appeal to their members that include interior designers, florists, and storeowners that focus on crafts, scrapbooking, textiles and notions, sewing machines and equipment, teachers, and more. They are already planning tours to the LA Fashion District and we will work closely with them to connect them to our store owners.

We also met with a representative from **Women's Wear Daily (WWD)** who visited the district to start a new partnership with the LA Fashion District. We emphasized that WWD is too New York focused and should concentrate more attention on LA fashion.

Website Update

The BID hired a new web designer to repair the damage done to the LA Fashion District website by the previous consultant. The work will be completed early in the fourth quarter.

Third Quarter Media Impression, Website Hit, Website Visitor Comparisons		
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<u>Media Impressions</u>	<u>2010</u>	<u>2009</u>
July	10,110,196	21,649,087
August	36,759,768	106,152,619*
September	22,495,450	57,770,201*
Totals	69,365,414	185,571,907

<u>Free Advertising Dollars Leveraged</u>	<u>2010</u>	<u>2009</u>
July	\$116,821	\$740,941
August	\$296,672	\$508,492
September	\$192,434	\$502,210
Totals	\$605,927	\$1,751,643

*Project Runway television show was produced in Los Angeles in 2009 and increased the BID's media impressions.

Website activity reports for numbers of Website Hits and Unique Visitors to Website will resume when problems with the website consultant are resolved.

Proposed 2010 Fourth Quarter Image & Communications Activities

- Resolve problems with website.

SPECIAL PROJECTS

9th & Main Median Maintenance

The lights are being operated manually and the irrigation doesn't water evenly. Our staff was not properly trained by the contractor to work with the computerized lighting and irrigation systems. City Departments will not assist us with troubleshooting because the BID was required to sign off on the Final Acceptance of Work. The BID consulted with an independent landscape company who will submit a proposal for repair work.

MTA 2011 Call for Projects

We are working with City staff to consider submitting an application for funds to complete Phase III of the Fashion District Streetscape Project.

Proposed 2010 Fourth Quarter Special Projects Activities

- Continue work on installation production of the Uniform Parking Signage Project.
- Continue problem solving median and streetscape project maintenance.

ATTACHMENTS

1. 3rd Quarter Financial Summary.
2. BID Lines, Summer 2010 edition.



LA Fashion District Business Improvement District

2010 Activity Reports

Fourth Quarter

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I Fourth Quarter Activities

Finance

Public Space Management Activity

- Public Space Safety Programs
- Proposed 2011 First Quarter Activities
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Administration and Advocacy

- Administration
- Advocacy Programs
- Proposed 2011 First Quarter Activities

Image, Communications and Special Projects

- Image & Communications Programs
- Proposed 2011 First Quarter Activities
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- Proposed 2011 First Quarter Activities

II Attachments

2010 OPERATING BUDGET SUMMARY

The total improvement plan budget for the 2010 Amended Fashion District BID is **\$3.9 million**.

FINANCE

2011 Budget Approved

On November 18, 2010 the Board of Directors unanimously approved the 2011 Budget. The City Planning Report was forwarded to the City Clerk on December 1, 2010.

Proposed 2011 First Quarter Finance Activities

- Prepare for Annual Financial Audit.

PUBLIC SPACE MANAGEMENT ACTIVITIES

2010 Annual Budget

\$2,556,973

60% of the budget

This portion of the budget is allocated to all Clean & Safe Program Services.

PUBLIC SPACE SAFETY PROGRAMS

Fourth Quarter Contact Summary

Illegal Vending saw the highest activity during the 2010 Fourth Quarter with 1,720 events recorded. Overall activity in this category increased compared with records from 2009 Fourth Quarter. **Disorderly Conduct** and **Disturbance** totals also increased over last year's records. Drinking in Public, trespassing, panhandling, drug activity, disputes and fights are included in these categories.

As a proactive precaution against criminal activity, the BID continues conducting **Location Checks for Crime Prevention** with 17,221 individual location checks recorded during the Fourth Quarter of 2010.

Partnering with the City to Identify Illegal Dumpers

On November 15, 2010, BID Safe Team officers attended a special training session to learn how to identify and record incidents of illegal dumping according to special standards set by the Bureau of Street Services.

During September BIDs learned that a New City Ordinance Helps Investigators Identify and Cite Dumping Violators. A new amendment to the Los Angeles Municipal Code that took effect on July 5, 2010 now authorizes the Bureau of Street Services (BSS) to administratively fine violators based on evidence found in dumped trash that identifies a responsible party. The new amendment imposes a graduated penalty of \$500, \$750, and \$1,000 for each successive violation of the ordinance in a 12 month period. A fourth violation would result in criminal prosecution as a misdemeanor violation. Fashion District BID Safe Team officers were trained by City staff to inspect and collect evidence from illegally dumped trash.

Report from Captain Todd Chamberlain, LAPD, Central Division

At the BID Board of Directors meeting on November 18, Captain Chamberlain said the partnership between the LAPD and the BIDs has improved public safety in many ways. Crime is down 2.8% compared to 2009 and that represents an 11% decrease over the last two years. The Captain said the department accomplished this in spite of budget reductions and with the BID's help. He asked Board Members for the assistance with crime fighting. If there is a problem or a location needs improvement then call the Field Office who will pass the information to LAPD Central.

BIDs Provide Input for LAPD 2011 Goals

On December 1, 2010, we met with LAPD Central Division Captain Todd Chamberlain and the other downtown BID representatives. We discussed goals for 2011 and agreed to the following LAPD/BID Initiatives:

1. BID training session for all new Central Division LAPD officers;
2. Quarterly Meeting with LAPD supervisors to focus on quality of life crimes in downtown and;
3. Identifying the top 10 recurring quality of life crimes in each SLO area that will help focus LAPD enforcement efforts.

Great Illustration of BID/LAPD Partnership

On November 4, 2010 the Fashion District BID convened a meeting of Central LAPD SLOs, Newton SLOs, Newton detectives, and concerned merchants and property owners to discuss a recent stabbing that occurred in the Downtown Industrial BID at 8th and Crocker to the east of the Fashion District. The victim is an employee of one of the flower merchants (he has made a full recovery). LAPD made an arrest almost immediately placing the “stabber” in custody. However at least one other individual was involved in the incident.

At the meeting Newton detectives obtained a description of the suspect. This was relayed to BID Safety patrols in the district. A few minutes later BID security spotted the suspect in the district. At the request of LAPD they stopped him and took his picture using their hand held Eponic data collection device.

They relayed the picture to the detectives still meeting in our Board room. Detectives were also able to obtain a positive ID from the victim using the same picture. While BID security continued to interact with the suspect, Newton detectives rolled to the location from our office and took the suspect in for questioning. They quickly determined he is a parolee and they booked him for parole violations and as an accessory to the violent assault.

LAPD continues to work diligently to keep our streets safe. Within the last several days a burglary suspect was taken into custody based on a description provided by a store owner in the Flower District. The burglar, David Wiggins, had been robbing stores in the area for the last five months. He had been able to elude police by chemically treating his fingers and palms to remove the prints. The full story is in www.blogdowntown.com

Fashion District to See Increased LAPD Deployments

At the Operations Committee Meeting on November 16, 2010 we received great news from SLO Matt Schafer, LAPD Central Division, and, SLO Steve Carillo, LAPD Newton Division. (The Fashion District boundaries are included in both Divisions.)

- **LAPD Newton Division** is deploying more units to the San Pedro Street area. This deployment comes as a result of the BID’s partnership with Newton Captain Lopez who contacted Kent Smith about a series of recent purse snatching incidents in the area. Smith encouraged Captain Lopez to visit the area on a Saturday to see the extent of illegal selling that is now attracting crime. Captain drove through the district and as a result, the Fashion District will see an increase in police coverage.
SLO Carillo is working with the City Attorney to clean up problems associated with the Market at 9th & San Pedro, and Duke’s Liquor. Both locations have received multiple complaints for nuisance behavior incidents resulting from alcohol sales, loitering, and more problems. The City Attorney has given both owners clear direction on improving lighting and security; they have 30 days to comply or face possible closure by the City Council. Both owners have indicated they understand the probation conditions.
- **LAPD Central Division** SLO Matt Schafer reported that Part 1 crimes are down. Central Divisions plans for holiday deployment include:
 - Increased Vehicle Unit enforcement during the holidays.
 - Officers will work every weekend through the holidays. The focus will be on de-cluttering the area to preserve public safety. The officers will also work to remove sidewalk vending.
 - LAPD Bike Units will work in a split rotation every day through the holidays. This will result in more officers in the district.

Skid Row Injunction Now Law

Superior Court Judge Theresa Sanchez-Gordon issued an order on November 30, 2010, to begin enforcement of the Skid Row Injunction put forward last April by City Attorney Carmen Trutanich. The boundaries of the injunction zone are Broadway, Central Avenue, Third, and Ninth Streets. The north part of the Fashion District lies within the boundaries and has been hard hit for years by problems associated with drug activity.

Trutanich found that most Skid Row drug dealers don't live in the area. The injunction names 80 individuals but also covers any person with a proven affiliation with the Grape Street Crips. Enforcement will be rolled out in waves and target the first 23 named defendants first.

Proposed 2011 First Quarter Public Safety Activities

- Continue education information for property owners on their responsibilities for discouraging illegal activities by tenants on their premises, and to comply with clean sidewalk codes.
- Continue to act as liaison to direct homeless populations to service organizations.
- Address illegal vending in the district.

PUBLIC SPACE MAINTENANCE PROGRAMS

The Fashion District BID maintenance programs deal with improving the public environment by providing graffiti removal, sidewalk and alley cleaning, street trash removal, tree trimming, weeding and poster removal.

Solar Powered Trash Compactor Holds Lots of Trash

We are working with the City's Sanitation Department to install, at no cost to the BID, a solar powered trash compactor to the LA Fashion District on the southeast corner of 9th Street and Los Angeles Street. This compactor trash bin, known as the BigBelly, can hold four to five times more than a conventional trash bin saving time and money for the district. The BigBelly Solar intelligent waste collection system has been designed to harness the power of the sun to more efficiently manage the process of collecting solid waste. We will monitor the system to determine if more locations should be added in the future.

Trash Collection Up 16% in December 2010

Trash collection numbers are up 16% over 2009 records for the month of December. In a comparison of 2009 and 2010 we see an overall increase of 17.5%. This is an encouraging economic indicator that business is improving.

Graffiti Removal

2010 fourth quarter graffiti removal records show an increase in the numbers of graffiti tags compared to 2009.

<u>Graffiti Removal – 4th Quarter</u>	2010	2009
October	711	516
November	591	408
December	562	572
Total	1,864	1,496

Trash Tonnage

There is an increase in trash tonnage over last year's records. **52,553** trash bags were used during the fourth quarter.

<u>Trash Tonnage— 4th Quarter</u>	2010	2009
October	185	158
November	178	151
December	208	180
Total	571	489

Proposed 2011 First Quarter Public Maintenance Activities

- Continue to work to educate property owners and merchants about appropriate trash collection procedures.

ADMINISTRATION, IMAGE & COMMUNICATIONS, SPECIAL PROJECTS ACTIVITY**Annual Budget****\$571,605****13% of the Overall Budget**

This portion of the annual Fashion District BID budget includes all Administration, Image & Communications, and Special Projects service programs. The remaining budget is allocated to City Fees, Depreciation, and Uncollected Revenue.

ADMINISTRATION**GOVERNANCE****2010 Board of Directors Election**

In August all LA Fashion District BID Property Owners received an invitation to become a candidate in the Board of Directors election. Six seats are available. Terms will commence on January 1, 2011.

On September 28, 2010 eight candidates were ratified to run in the election by the Election Committee. Ballots were sent in November to all property owners who qualify. The election results were announced at the Board of Directors meeting on December 9, 2010.

Congratulations to the New Board Members

Election results were publicly announced at the Board of Directors on December 9, 2010. The newly elected members are:

- Dan Bartholomew
- Harvey Flax
- Jorge Flores
- Herb Glaser
- Brian Taban
- John Van Den Akker

Thanks to Retiring Board Members

At the Board Meeting on December 9, retiring Board Members were recognized for their dedication and willingness to volunteer their time and expertise to managing the LA Fashion District Business Improvement District.

- Barry Gold
- Steve Hirsh
- Lance Kluger
- Elisa Mermelstein-Keller
- Laurie Sale

Proposed Revision to District Management Plan

On November 18, 2010 the Board of Directors unanimously approved an action to revise the 2008 District Management Plan and Engineer's Report by striking the clause that pertains to the BID's responsibility to report maintenance problems that require third party intervention.

ADVOCACY

Meeting with Assembly Speaker Perez & Corrections Secretary Matthew Cate

On December 9, 2010 BID Executive Director Kent Smith and downtown BID representatives met with John Perez, Speaker of the State Assembly, and Matthew Cate, State Secretary of Corrections, Councilmember Jan Perry, City Attorney Carmen Trutanich, Assistant District Attorney Jacqueline Lacey, LAPD Central Division Captain Todd Chamberlain and Safer City Lieutenant Sharron Paulsen, as well as representatives from the Sheriff's Department were also in attendance. Concrete measures to reduce the impact of state prison parolees on the downtown community were discussed.

Special Event Permit Application for Wall Street between Pico and 12th

At their meeting on December 9, 2010, Board Members unanimously agreed to oppose the special event proposed for Wall Street between 12th and Pico Blvd. on Saturday, January 1, 2011. The Board opposed an application for a similar event proposed for the same location in February 2010. The descriptions for both events are basically the same and similarly lacking in details. After investigation of the February permit we learned that the event coordinator had added live music on five stages and that almost two square blocks were going to be impacted. Of additional concern to the Fashion District BID was the decided-upon use of private property although no attempts were made to attain property owner permission. An opposition letter will be sent to the Bureau of Street Services, Special Events Department.

We attended the public hearing on Wednesday, December 27, 2010 to oppose the latest proposed event. Board of Public Works President Cynthia Ruiz recommended that the event be restricted to day time activities and close down at 5:00 pm instead of 3:00 am on January 2.

Subsequently the Bureau of Street Services Special Event Permit Section informed the LAPD and BID that the application for the proposed Wall Street New Year's Festival on January 1, 2010 had been canceled. Approved insurance and payment were never received, therefore the application is canceled.

Design for Development Plan Stakeholder Meeting 2

On Thursday, October 21, 2010 we heard from the AECOM project team about the Design for Development project after 2 ½ months of intense field work in the LA Fashion District. They've conducted one-on-one, focus group, and street intercept interviews with property owners, business owners, employees, shoppers, buyers, residents, public officials, and industry professionals. Meeting attendees saw video interviews and updates on the market study and provided additional input for direction on where the project should focus next.

Community meetings are planned for January 2011. AECOM launched a website at www.fashionyourdistrict.org to post ongoing work, future meeting dates, and to obtain comments and views via *Facebook* and *Twitter* on what the district needs to be in the future.

Design for Development Update::AECOM/ITURIS Traffic Study

During November – December the consultants working with the CRA were out in the district counting traffic mechanically and in person at key intersections throughout the district. This work will be important in resolving traffic tie ups in the district, especially on weekends.

Artwalk and the Fashion District Clean & Safe Team

On December 29, 2010, BID Executive Director Kent Smith met with Joe Moller the new executive director of downtown's popular Artwalk. There are several art galleries in the Fashion District that participate in this event held on the second Thursday of every month. Besides bringing attention to the art and galleries the event also attracts patrons to local restaurants and bars. Smith reinforced the BID's intention to continue clean & safe efforts to support Artwalk.

Future Build

We attended Urban Land Institute's (ULI) Future Build LA, a Green Conference held at the Convention Center. We attended sessions on strategies to fund energy efficient retrofits and achieving energy efficiency retrofits in commercial real estate. One gem we discovered is the website www.dsireusa.org which is a fabulous database of Federal, State, and local incentives for energy efficiency and renewables.

One incentive on the above website, new to us, is the Federal Government's Energy-Efficient Commercial Buildings Tax Deduction retroactive to 2006, which covers everything from HVAC, lighting, windows, and roofs. Not many owners are taking advantage of this deduction which is from 0.30 cents to \$1.80 per square foot depending on the improvements and the amount of energy reduction.

A variety of other financing mechanisms were discussed including PACE which is not yet available in Los Angeles that allows third party municipal bonding repaid through additional property taxes. This has the added benefit of making it much easier to pass the costs of energy retrofits through to the tenants of the building. DWP is in the process of setting up a PACE for Los Angeles.

International Downtown Association (IDA) Annual Conference

BID Executive Director Kent Smith and BID Operations Director Randall Tampa traveled to Ft. Worth, Texas to attend the annual IDA Conference on October 1-5, 2010. IDA is a downtown association member organization that provides information resources and networks for business improvement districts in the United States and across the world. Scores of sessions are presented that focus on all aspects of running BIDs. They attended sessions on social media innovations, streetscape funding sources, new federal programs on homelessness, public safety and roundtables discussions to see how other cities are leveraging resources during difficult financial times. One of the keynote speakers talked about the economic forecast for the country. He predicted extremely slow growth until 2012. Cities currently coming out of recession are in the Midwest and Northeast. He predicted by 2013 the Southwest will be leading the country in growth.

LA Fashion District BID in Beverly Hills

On November 3, 2010, Mark Chatoff, Chair of the LA Fashion District and Kent Smith made a presentation to the Beverly Hills Chamber of Commerce on the success of the LA Fashion District BID. Beverly Hills is exploring several alternative BID models to address challenges property owners and businesses are facing.

BIDS at Urban Land Institute (ULI)

On November 4, 2010 Kent Smith made a presentation on the LA Fashion District BID to attendees at a ULI conference held at Santa Monica Place. He was joined by BID directors from Hollywood, Long Beach, and Santa Monica. The history of the Fashion District's successful transformation was well received by the large audience.

Downtown L.A. Streetcar Receives Overwhelming Support at Fundraiser

The October 1, 2010 event was the beneficiary of a well attended fundraising event at L.A. LIVE co-hosted by Los Angeles City Councilmember José Huizar, Eli Broad, founder of The Broad Foundations, Rick Caruso of Caruso Affiliated, and Tim Leiweke of AEG / L.A. LIVE. The event raised over \$200,000.

Jaime Lee (California Market, Center), **Steve Needleman** (ANJAC Fashion Buildings), **David Grey** (Architects), and BID Executive Director **Kent Smith** attended the event.

More than 40,000 people live downtown, with 550,000 people coming into the city each day for work and tourism. Similar to other streetcar systems, such as Portland and Seattle, the Downtown L.A. Streetcar project is designed to encourage a large volume of commuters, shoppers and tourists to experience the cultural and commercial appeal of the vibrant and growing downtown Los Angeles corridor.

Kent Smith Appointed to City Council's Transportation Committee's Food Truck Task Force

At the Los Angeles BID Consortium's meeting on Wednesday, December 1, 2010 members heard a report on the City's Food Truck Task Force. Food trucks and hot dog carts are a significant issue in the LA Fashion District. Other BIDs including Historic Core, Sherman Oaks, Wilshire and Canoga Park voiced their concerns about the proliferation of these trucks on city streets and the mess they leave behind.

After the meeting we were contacted by Laura McLennan from Councilmember Bill Rosendahl's office. Rosendahl is Chair of the Transportation Committee and they are working on the mobile food vending issue. The Committee is in the process of establishing the task force which will have representatives from the City, County and some interested neighborhood councils, food truck owners/operators, etc.

They are in support of having the BID Consortium included in this task force. Kent Smith was appointed to represent the BID Consortium.

BID Supports Motion to Restrict Food Truck Operations in Commercially Zoned Areas

At the Transportation Committee meeting on August 11, 2010 we testified in favor of a possible amendment to the current catering truck ordinance that will limit the number allowed on city streets. Board Members were encouraged to attend this meeting to testify on the proliferation of catering trucks in the Fashion District. We also believe that all food truck operations should be restricted in industrially zoned areas with substantial retail uses like Santee Alley. We emphasized that the LA Fashion District BID, located in downtown Los Angeles, is a 100-block commercial area comprised of over 4,000 businesses that sell wholesale and retail apparel, textiles, and flowers. There are also over 100 restaurants. Catering trucks and Cushman Carts are attracted to the district because of the enormous amounts of pedestrian traffic. Our narrow sidewalks and streets were not designed for food trucks that use the same location 365 days a year. Not only does the district lose valuable on street parking spaces but adjacent merchants have to deal with food smells that permeate merchandise and the crowds of sidewalk diners who block entrances to stores. From January – June 2010 the BID received 1,455 complaint calls from merchants and property owners about the food trucks.

At the meeting Councilman LaBonge called for organization of a Task Force to address the issue of catering truck parking at meters in commercial zones. The LA Fashion District Business Improvement District (BID) requested the opportunity to participate as a member of the Task Force. In late September a Task Force meeting was convened and all catering truck owners were invited, however city staff neglected to invite the BID.

Helping to End Homelessness with Project 50 Model

In August 2010, we attended a meeting with Barbara Poppe the new Executive Director of the Federal Government's Interagency Council on Homelessness. Ms Poppe was just appointed by President Obama to lead the Federal Government's effort to end homelessness in America. The Council released their report "Opening Doors" in June outlining strategies and actions to end chronic homelessness by 2015. The Fashion District BID attended the meeting as a member of the LA Chamber of Commerce/United Way's Task Force on Homelessness along with the Hollywood Entertainment District (BID). The two BIDs are the only ones represented on the task force which has members from the business community. We are working on a Los Angeles strategy to end chronic homelessness in LA with a particular focus of getting people living on the street into housing.

The Task Force's recommendations are in alignment with those of the Interagency Council and the report was released at a press conference in November, 2010. The LA Fashion District BID Board of Directors endorsed the plan at their meeting on November 18, 2010.

On Thursday, December 2, 2010, three of the five County Supervisors (Yaroslavsky, Ridley-Thomas, and Knabe), Mayor Villaraigosa, LAPD Chief Charlie Beck, and Barbara Poppe, President Obama's representative for homelessness) gathered at a press conference to pledge support for the housing-first plan "Home for Good". The goal of the plan is to get all homeless veterans and chronically homeless individuals off the streets of LA and into housing by 2016.

The *New York Times* featured a story on December 17, 2010 on how the United Way Business Leader Task Force is working to combat LA's image as the homeless capital of the country. BID Executive Director Kent Smith is a member of the task force that has met for over a year. The Task Force recently released the plan and gained support from the County Board of Supervisors. See www.NYTimes.com and search "Los Angeles Confronts Homelessness Reputation". A PDF version of the article is included as Attachment 2.

This year long study conducted by the LA Chamber of Commerce and United Way found that there are 48,000 chronic homeless individuals on LA streets. Over \$875 million is spent on managing homelessness and 75% of those funds are spent on 16,000 individuals including veterans of the armed services. The study proposes an integrated system focused on rapidly housing people with the supports they need to thrive is critical to ending homelessness.

Strolling on 7th Street Tour The Los Angeles Conservancy hosted a walking tour on November 7 for exploring downtown Los Angeles' historic Seventh Street. Rich in historic architecture and vibrant with shops, restaurants, and new loft-style housing, this one-time-only, open-house style event will offer guided tours of historic spots along Seventh between Figueroa and Los Angeles Streets. The tour featured guided tours of historic spots along Seventh Street, including the Fine Arts Building, with a spectacular lobby detailed in tile and terra cotta block designed to look like stone; St. Vincent's Court, heart of the former Bullock's Department Store complex; and Dearden's Home Furnishings, celebrating 100 years downtown; Santee Court, and much more.

Pattern Bar a Good Fit

In late October we met with the developer of a new bar and lounge project planned for the corner of 9th and Main. We will be providing input for their security plan. Once open it will be a great addition to the growing number of restaurants, lounges, and entertainment venues on 9th Street. These types of amenities are on the top of everyone's list of for attracting business, market attendees and visitors to the LA Fashion District.

Proposed 2011 First Quarter Administration/Advocacy Activities

- Continue to advocate for the Fashion District BID.
- Participate in the CRA's Design for Development Plan for the Fashion District.

IMAGE AND COMMUNICATIONS

The LA Fashion District BID Image & Communications programs are developed to create a positive image for the District based on the positive changes that take place. Programs are designed to attract new investors and customers to the District as well as attract City investment to the District.

Website Completed

The new website was launched on October 12, 2010. We are looking forward to upgrading the content in 2011. Visit the new website at www.fashiondistrict.org

Website Advertising

We launched a very modest advertising campaign to announce the new Fashion District website. LA Downtown News and Blogdowntown are carrying the ad for two weeks in print and online.

Winter Newsletter

BID Lines stories highlighted the new Fashion District website and an update on the Design for Development Plan. See Attachment 3.

Media Meeting

On December 3, BID staff met with Los Angeles Business Journal reporter Alexa Hyland. We discussed successes and challenges in the LA Fashion District and toured the area.

Talk Radio Station 690 AM Reveals Secrets of the Alley

BID Executive Director Kent Smith and BID Operations Coordinator Jacqueline Sanchez talked about shopping in the Santee Alley on the popular Spanish language radio show “La Ventana” on Friday, December 17, 2010 at 3:20 pm. We walked the Alley prior to the show to find trendy outfits for New Year’s Eve parties and found some fantastic looks and deals that we will be talking about on the show.

History Channel Visits the Fashion District

This popular television channel is developing a 10-show series about conditions of the infrastructure in the U.S. They heard about the Fashion District via a quote in the LA Downtown News last year from BID Executive Director Kent Smith. The production crew and show host visited several sites in the district to film the efforts of our Clean Team to maintain the district’s public environment. The show will air in March 2011.

Public Information Coordinator Hired

The BID Board of Directors approved hiring a **Public Information Coordinator** to enhance media and social media coverage about the LA Fashion District Business Improvement District. This person will develop and pitch stories to journalists in the national, international and local/regional news media. They will also develop and use various social media to communicate with “friends of the district”, property owners, merchants, community leaders and other stakeholders. Hiring this new staff member will help us increase awareness about the District without spending money on direct advertising which is very expensive. We received over 250 resumes. Annie Chang was hired. She lives in downtown and brings great experience and enthusiasm for the job.

Craft & Hobby Association Annual Conference to be Held in LA

We met with marketing representatives from this national association who are interested in showcasing the Fashion District during their annual conference in January 2011.

Publicity

Boo – It’s Halloween www.Blogdowntown.com featured a great article on Halloween Costume shopping in the LA Fashion District. Stores in Santee Alley, Santee Street, Maple 11th Street, 12th Street and Los Angeles Street were all featured in the article.

Artisanal LA –The Cooper Design Space is brought another first of its kind event to the LA Fashion District this weekend with Artisanal LA. The Penthouse was transformed into a workshop/café/tasting room offering the best of LA’s artisanal edibles.

A Current Affair Pop-Up vintage Marketplace at the Cooper Building (860 S Los Angeles Street) premiered on December 10 & 11 with over 25 vendors showcasing vintage rarities from Balmain, Chanel, Halston, and YSL.

Unique LA Pop-Up Holiday Shop at the California Market Center (110 E 9th Street) opened on Saturday & Sunday – December 11 & 12 with an independent design and gift show with over 300 hand-selected designers and artists.

Fourth Quarter Media Impression, Website Hit, Website Visitor Comparisons

<u>Website Hits</u>	<u>2010</u>	<u>2009</u>
October	187,834	*
November	319,017	*
December	313,376	*
Totals	820,227	*
<u>Website Visitors</u>	<u>2010</u>	<u>2009</u>
October	7,370	*
November	12,761	*
December	13,539	*
Totals	33,670	*
<u>Media Impressions</u>	<u>2010</u>	<u>2009</u>
October	25,219,144	36,099,407**
November	24,156,795	18,245,033**
December	24,156,795	33,701,784**
Totals	73,532,734	88,046,224
<u>Free Advertising Dollars Leveraged</u>	<u>2010</u>	<u>2009</u>
October	\$193,591	\$353,164
November	\$165,999	\$130,687
December	\$153,070	\$268,319
Totals	\$752,170	\$512,660

*Comparisons of website activity reports for Website Hits and Unique Visitors will resume in January 2012. when a full year of records is available. Statistical records from previous website host differ significantly from the records provided by the current web host.

**Media Impressions for 2009 do not include the number of website hits and unique visitor statistics. See previous note.

Proposed 2011 First Quarter Image & Communications Activities

- Continue to refine website.
- Develop and launch social media features on website
- Increase number of press releases on the regional and national levels.
- Publish Winter 2011 Newsletter

SPECIAL PROJECTS

9th & Main Median Maintenance

The lights are being operated manually and the irrigation doesn't water evenly. Our staff was not properly trained by the contractor to work with the computerized lighting and irrigation systems. City Departments will not assist us with troubleshooting because the BID was required to sign off on the Final Acceptance of Work. The BID consulted with an independent landscape company who will submit a proposal for repair work. Work was completed and staff is now trained to use the systems.

Fashion District and Fashion Business Incorporated Apply for Two LADWP Grants

The BID and FBI partnered to apply for two grants that will fund programs to improve energy efficiency and water conservation in the business community.

Proposed 2011 First Quarter Special Projects Activities

- Continue work on installation production of the Uniform Parking Signage Project.
- Continue to seek grant funding for the Fashion District Streetscape Improvement Project – Phase 3.

ATTACHMENTS

1. 4th Quarter Financial Summary
2. "Los Angeles confronts Homelessness Reputation", *NY Times*, December 12, 2010
3. BIDLines Newsletter, Fall 2010 edition